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UN Conference On Development Ends in Conflict

The Associated Press
VIENNA — A United Nations conference on industrial development ended in discord early Monday as the United States cast the sole vote against a preamble that called for increased aid to developing countries.

The preamble also blamed global economic problems for much of the nonindustrialized world's troubles.

Twelve industrialized countries abstained from voting on the preamble. They were Australia, Switzerland, New Zealand, Portugal, Canada, Israel, Belgium, Japan, West Germany, South Korea, Britain and Luxembourg.

That lineup reflected considerable dissension within the Western countries themselves. France, for example, voted for the preamble.

Richard S. Williamson, the chief U.S. delegate, said his country objected to the preamble, the main conference document, "for reasons of principle and substance."

Mr. Williamson told the conference that the text "does not portray the facts of the world economic situation and outlook in a balanced and accurate manner. It does not address the performance of domestic economic and financial systems in industrial development. It relies on partiality rather than analysis in assessing problems and consequently offers little of real substance."

After long debate, the conference decided to refer the two outstanding main resolutions — on financial resources and on industrial restructuring and redeployment — to the General Assembly for further action.

The preamble urged Western countries to step up their development aid, saying "developed donor countries should maintain and as far as possible increase their aid with a view to realizing their commitments to international objectives."

The organization's executive director, Abd-El Rahman Khane of Algeria, said it was premature to say if the conference had achieved concrete results.

Western countries made no firm financial commitments at the meeting, although many spokesmen for Third World countries had urged industrialized nations throughout the 18-day gathering to increase their financial assistance.

"We have to wait a little bit," Mr. Khane said, "to see that concrete measures are taken, that resources are made available to the UN system... to carry out its very important mandate."



Vice President George Bush pulls off his jacket at a rally in Dallas on the eve of the Republican National Convention.

Republicans Still Seeking to Broaden Voter Base

By Howell Raines
New York Times Service
DALLAS — In 1980, Ronald Reagan won the presidency by appealing to voters who had traditionally identified with the Democratic Party. As a byproduct of his victory, Mr. Reagan created for the Republicans a chance to broaden their electoral base at the expense of the Democrats.

Now, four years later, many analysts in both parties agree that the Republican Party, as an institution, did little with the opportunity Mr. Reagan created for it.

So, as they open their convention here, Republicans find themselves in the paradoxical position of having a presidential candidate of commanding personal popularity, but a party organization with a narrow electoral base and an uncertain future.

The Democrats and independent "swing voters," who boosted Mr. Reagan to an electoral landslide, have not moved into Republican ranks. Nor, despite the pleas of some of its "populist conservatives," has the party done much to welcome them.

In 1982, instead of building on Mr. Reagan's gains, the Republicans lost 26 seats in the House of Representatives and failed to expand their narrow majority in the Senate, in which they retain a margin of 55 seats to 45.

The party's membership remains overwhelmingly white, suburban, upper-income, college-educated and Protestant. Thus the 1984 Republican National Convention

could amount to something more than the ritualized celebration of Mr. Reagan's personal popularity that it appears to be.

It opens a critical period of decision. For the hidden agenda of this convention is the selection of the policies and leaders for the post-Reagan era. By these choices, the Republicans will be deciding whether to try to broaden the voters of the "Reagan coalition" to their party or give the Democrats one more chance to reclaim this broad-based group of urban Roman Catholics, Hispanic people, blue-collar workers and Southern conservatives.

"I don't think the party across the country really took advantage of the 1980 elections," said Lyn Nofziger, one of the president's senior political advisers. In 1984, he said, "If Reagan wins it, they're going to have another opportunity. They really don't start from the enhanced position they might have."

The public opinion polls support this view that the Reagan electoral landslide of 1980 did not convert itself into gains in party membership. Today, as in the first month of Mr. Reagan's term, about 40 percent of the voters are Republicans or Republican-leaning independents, and about 50 percent are Democrats or Democratic-leaning independents, according to a New York Times poll.

Yet the numbers do not tell the

entire story on the state and future of the Republican Party.

Among professional politicians, Mr. Reagan is a heavy favorite to win a second term. Considering the large number of seasoned campaigners eager to succeed him as the party's nominee in 1988, the Republicans have a solid chance to continue their hold on the White House beyond the Reagan years if they succeed this November.

And by sponsoring two successive two-term presidencies, the Republicans could create a "presidential lock" that some Democratic leaders regard as a serious threat to their long-term vitality.

For the moment, the dominance of Reaganite conservatives in the party, with their emphasis on less government, lower taxes and traditional values, is unquestioned. The ideological struggle that now looms is a family feud among conventional conservatives who want to continue on the Reagan path and the "populist conservatives" who want to take the party even further to the right and cast aside what they regard as the last vestiges of "Eastern elitism."

"This is the opening of the struggle for the soul of the Republican Party," said Representative Newt (Continued on Page 3, Col. 1)

Ferraro, Spouse Release Data On U.S. Taxes

The Associated Press
WASHINGTON — Representative Geraldine A. Ferraro, the Democratic candidate for vice president, and her husband paid about 40 percent of their income in taxes during the last five years, according to financial records released Monday.

Because of an accountant's error in the couple's 1978 joint return, they are sending the Internal Revenue Service a check for an additional \$53,459, said Francis O'Brien, a spokesman for the campaign of Walter F. Mondale and Ms. Ferraro.

Mr. O'Brien said that accountants were still studying the separate tax returns filed by Ms. Ferraro and her husband, John A. Zaccaro, a New York real-estate dealer, for the years 1979 through 1983.

Copies of the income-tax returns for the past five years listed Ms. Ferraro as having gross income over those years of \$332,474 and paying \$130,922 in federal, city and state taxes in New York. This amounted to 39.38 percent of her gross income.

The tax returns showed that Mr. Zaccaro had gross income during the period of \$532,969 and paid \$220,344 in total taxes, or 41.27 percent of his gross income.

The information was released in Washington in an attempt to dispel controversy about the finances of Ms. Ferraro and her husband. Ms. Ferraro also was scheduled to release on Monday a financial disclosure form that must be filed with the Federal Election Commission.

She said in a televised interview Sunday that "we are hoping the American public will be satisfied."

"Take a look at the tax returns," Ms. Ferraro said, "and you'll see that we do pay taxes and we pay them separately."

The issue of Mr. Zaccaro's tax returns has surrounded her campaign since she announced Aug. 12 that, despite her earlier pledge to make the returns public, her husband was refusing to release them.

On Saturday, however, she issued a statement saying that Mr. Zaccaro had changed his mind.

Asked whether the documents would show whether the Ferraro-Zaccaro household had paid "its fair share of taxes," she replied: "They sure will."

On Monday, the campaign also released a statement detailing and defending the complicated real-estate transfer by which Ms. Ferraro repaid family loans to her 1978 campaign that had been ruled illegal by the election commission.

To repay some of the loans, Ms. Ferraro sold her half-interest in a Manhattan building to Manny Lerman, a longtime business associate of Mr. Zaccaro. Mr. Zaccaro arranged the sale, the statement said, and, without Ms. Ferraro's knowledge, arranged to buy the property back from Mr. Lerman later.

Mr. Lerman paid Ms. Ferraro \$100,000 for her half-interest — four times what she had paid for it five months before.

"This was consistent with their belief that the May 1978 purchase price was well below the property's value," the statement said.

Mr. Zaccaro paid the same amount, \$100,000, to buy back a half-interest in the property. The statement said that Mr. Zaccaro and Mr. Lerman sold the property in November 1980, for \$375,000, confirming their higher valuation than the 1978 price.

The statement said that Mr. Zaccaro created the arrangement because he mistakenly believed he could not simply buy Ms. Ferraro's half-interest directly from her.

"Under the Federal Election Campaign Act," the statement said, "one does not make any contribution by purchasing property directly or indirectly from a candidate at a commercially reasonable price, even when it is known that the candidate will contribute the money to the campaign."

"Accordingly, the fact that Mr. Lerman bought Ms. Ferraro's one-half interest in 231 Central Street first and then sold it to Mr. Zaccaro does not make the transaction unlawful," the statement said.

Mr. O'Brien said that the accountant's error in 1978 causing the couple to send the IRS the check for \$53,459 — representing an underpayment in the 1978 taxes of \$29,709 and interest since then of \$23,750 — involved the undervaluation of the complicated real-estate transaction.

He said that the error resulted when the accountant "failed to include in the proceeds an assumed mortgage on their property."

Mr. O'Brien said that the error was discovered by the accounting firm of Arthur Young and Co., which was hired recently by Ms. Ferraro and her husband to review her finances and prepare her disclosure statement for the elections commission.

Mr. O'Brien said the new accountants are now scrutinizing the separate tax returns filed by Ms. Ferraro and Mr. Zaccaro covering the years 1979 through 1983.

"If there are any changes, Mr. Zaccaro and Ms. Ferraro have agreed to make them — up or down," Mr. O'Brien said. "Any changes we will make public."

China Reported Ready to Accept A U.S. Port Call

Washington Post Service
BEIJING — China appears ready to accept a port call by U.S. Navy vessels for the first time in over 35 years, diplomats reported Monday.

Discussions of a possible port call as early as next year highlighted a five-day visit here by the U.S. secretary of the navy, John F. Lehman Jr., the diplomats said.

Mr. Lehman left Monday for a tour of three Chinese naval installations.

Military analysts said a port call would be largely ceremonial and would not mean regular U.S. naval access to Chinese facilities.

As a strategic factor, however, it would advance relations between the Chinese and U.S. navies while underlining their common interest in offsetting the growing Soviet presence in the Pacific and Indian oceans, said the analysts.

Uganda Admits Death Toll of 15,000 In Political, Tribal Strife Since 1980

By Clifford D. May
New York Times Service
KAMPALA, Uganda — A government spokesman said Sunday that 15,000 people had been killed in political and tribal violence in Uganda in the nearly four years since President Milton Obote returned to power.

The statement, by Information Minister David Anyoti, represented the first official Ugandan estimate on the extent of the reported killings.

Earlier this month Elliot Abrams, the U.S. assistant secretary of state for human rights, said in interviews and congressional testimony that since 1981 more than 100,000 Ugandans may have been killed by the military or died of starvation as a result of military policies. He said these figures represented the consensus of foreign and some local officials in Uganda.

[The British Foreign Office said last week that there was no evidence to substantiate these figures. The Washington Post reported from London. The Foreign Office ordered an inquiry by the British Embassy in Kampala.]

Mr. Obote, who was overthrown by Idi Amin while he was attending

a Commonwealth Conference in Singapore in 1971, returned to power in December 1980 after party won parliamentary elections.

Mr. Anyoti said both soldiers and rebels were responsible for the deaths.

"There are soldiers who have done what they should not have," Mr. Anyoti said. "They are being arrested and sentenced."

As for allegations that tens of thousands of people had been imprisoned without charge, Mr. Anyoti called them an exaggeration.

The archbishop of Kampala, Cardinal Emmanuel Nsubuga, asserted in Boston last week that up to 80,000 Ugandans were being held without charges by the government.

Mr. Anyoti said 14,020 people had been "detained for anti-government political activities." He said many had not yet been formally charged because of the Ugandan judiciary's inability to cope with the backlog.

Mr. Abrams had asserted that the current situation in Uganda was comparable to that under Marshal Amin in the 1970s, when tens of thousands of civilians were tortured and killed by government security forces. But he suggested that Mr. Obote was not directly to blame for the current killings, saying the problem was that the government had been unable to control the army.

"We need and would like help and advice in security and judiciary matters," Mr. Anyoti said. "If the United States offered such help, we would accept it."

He said that although some of those arrested had been convicted of treason in open trials and sentenced to death, "there have been no executions.... The death sentence has been suspended."

(Continued on Page 2, Col. 7)



N.T. Rama Rao, the deposed chief minister of the Indian state of Andhra Pradesh, greets some of his supporters as he lies in bed in a hospital after arriving in New Delhi.

Rama Rao, Supporters, Take Case to New Delhi

By William Claiborne
Washington Post Service
NEW DELHI — The deposed chief minister of the south Indian state of Andhra Pradesh, N.T. Rama Rao, led 160 of his supporters in the state legislature to New Delhi on Monday in an effort to show that he has majority backing and was constitutionally unsent by Prime Minister Indira Gandhi's Congress-I Party.

Mr. Rama Rao, a popular former film star who had led an initiative to unite regional parties in opposition to Mrs. Gandhi, was summarily dismissed Thursday by the Gandhi-appointed governor of Andhra Pradesh and replaced by a chief minister with Congress-I backing.

He pledged to demonstrate that he still has the confidence of the state assembly and is entitled to be reinstated. Mr. Rama Rao said he would parade his state assembly backers before the Indian president, Zail Singh, to prove the point he was not permitted to make when

the governor of Andhra Pradesh, Ram Lal, refused to allow a confidence vote to be held last week in Hyderabad, the state capital.

However, the presentation of the 160 state legislators before the Indian president had to be postponed because their train was 10 hours late. The meeting was rescheduled for Tuesday. In any case the president has no power to reinstate Mr. Rama Rao. Only Mrs. Gandhi and her cabinet can do that.

The Indian Airlines jetliner carrying Mr. Rama Rao and several other opposition leaders was delayed in Hyderabad for more than four hours.

When he arrived, Mr. Rama Rao, who last month underwent coronary bypass surgery in the United States, was immediately taken away in a private ambulance because, aides said, he was exhausted by the trip.

Mr. Rama Rao's supporters chanted "Death to Indira Gandhi" and "Restore democracy" as the train carrying the 160 legisla-

tors arrived at the New Delhi station.

As the political crisis deepened both in Hyderabad and New Delhi, sporadic acts of violence continued to erupt throughout Andhra Pradesh, forcing the cancellation of some train and bus service.

Although Mrs. Gandhi has remained aloof from the growing furor over Mr. Rama Rao, she is facing what is potentially the most serious political confrontation she has had to face since her return to power four years ago after being rejected by the voters after the 1975-77 "emergency" period.

Already, the death toll in rioting in Andhra Pradesh has reached 27, with more than 100 people injured, and India's major opposition parties, in an unusual display of unity, scheduled a series of nationwide protests Monday, including an all-India labor strike, in an effort to force the reinstatement of Mr. Rama Rao. He has been accused by central government officials of en-

Hawaii, at 25, Has Become Vital Link Between East and West

By Jay Mathews
Washington Post Service
HONOLULU — The nation's youngest state is celebrating the 25th anniversary of its admission to the Union this week and using the occasion to consider the vital link it has forged between the United States and Japan.

With Hawaii's glittering hotels full of Japanese tourists and its legislature full of Japanese faces, the legacy of Japan — the nation that bombed the Pearl Harbor naval base at this sparkling Pacific metropolis on Dec. 7, 1941 — comes to obscure the reality of the state's firm ties to the U.S. mainland.

The towering Sheraton Hotel is owned by a Japanese billionaire. Officials here cultivate a withdrawn, self-effacing style more common in Kyoto than Kansas City. The governor's father was a sumo wrestler from Fukuoka, and Japanese-Americans are represented in the state government in proportion to their 25-percent

share of the state's population of about 1 million.

Nearly 750,000 Japanese visitors — about 17 percent of the tourist trade — visited Hawaii last year, more than from any other foreign country. Japanese companies own eight of the 12 Sheraton-operated hotels in the islands as well as dozens of other hotels, condominiums, golf courses and shopping centers.

"Some people say, 'They couldn't take over Pearl Harbor by bombing but now they're taking it over economically,'" said Ann Kobayashi, a state senator.

This year, in a controversy that crystallized the conflict between the Hawaiian desire for foreign investment and the concern about environmental protection, a Japanese business won a special election permitting a resort project to be built on the island of Kauai.

Nearly all issues in Hawaii seem linked to Japan or the Japanese heritage of many Hawaiians.

For five years, state leaders have been calling for a restructured

economy. The traditional sugar and pineapple industries have declined. State planners have worried about becoming too dependent on the remaining money-makers: tourism and military expenditures.

Military spending still grows, although local leaders say the most lucrative military construction projects are going to mainland bases. Dependence on tourism has increased, with visitors' expenditures climbing from \$2.1 billion in 1978 to \$3.7 billion in 1982.

Much of that traffic involves Japanese who like the climate and like to see the sights and spend heavily in Waikiki. The neighboring islands are less attractive because they rarely have more than a week off.

Governor George R. Ariyoshi, 57, a Democrat, has concluded that Japan can help the state balance its economy by investing in research. He has lobbied Japanese cabinet ministers about the Pacific International Center for High Technology Research.

Japan and Hawaii, he argues, would profit from an institution developing products for the Pacific rim, such as ocean robotics or equipment for undersea farming. Tokyo remains undecided.

Such open and earnest dealings with Japan would once have created discomfort in Hawaii, particularly among Americans of Japanese descent.

Large numbers of Japanese immigrants began to arrive in Hawaii a century ago in search of economic opportunity. Many returned to Japan; those who stayed clung to their traditions.

But when Japan attacked Pearl Harbor in 1941, bringing the United States into World War II, the reaction of Japanese-Americans for years afterward was: "The enemy is Japan and you have a face that looks like the enemy, so you divert yourself very quickly of anything that identifies you with Japan." Those were the words of Dennis Ogawa, an American-bus-

ines professor at the University of Hawaii.

While Japanese-Americans on the West Coast were sent to internment camps, the Hawaiian authorities detained only about 1,400 Japanese-Americans suspected of ties with Japan. Many of those not detained quickly removed Japanese art from their living rooms, stopped cooking Japanese meals and ceased attending Buddhist services. Mr. Ogawa said. Many men joined the U.S. Army.

In the last 20 years, Senator Kobayashi said, Americans of Japanese ancestry have regained the confidence to display their ethnic heritage. Now, as a result of a post-war revitalization of the state Democratic Party by Japanese-American veterans and the traditional ethnic Japanese emphasis on frugality and hard work, they dominate Hawaii.

According to the U.S. Census of 1980, 24.9 percent of Hawaii's residents are of Japanese ancestry, 33 percent are white, 13.9 percent Fili-

pino and 12 percent native Hawaiian. When military personnel are excluded from the count, the numbers of whites and Japanese-Americans become about even. Japanese-Americans vote in higher proportions than other ethnic groups, both because of their history of successfully fighting discrimination through the ballot and because of their higher incomes and educations.

Today, the governor, both U.S. senators, 14 of the 25 state senators and 18 of the 51 state representatives are of Japanese descent.

Hawaiians accustomed to constant ethnic balancing think the Japanese-Americans will have to pull back. Franklin Odo, director of the University of Hawaii's ethnic studies program, noted the preponderance of Japanese faces, from the governor down to about 60 percent of the public school principals.

When things happen that people don't like," Mr. Odo said, "it's usually being implemented by someone of Japanese descent."



George R. Ariyoshi

Most recent affirmative-action lawsuits, Mr. Odo said, have involved complaints by whites about discrimination by Japanese-American bosses.

Earl Nishimura, of the Japanese Americans Citizens League, said, "There may be some subtle resentment because the Japanese Americans have been so successful."

INSIDE

Iranian press reports volunteers have been sent to front and warns of new offensive against Iraq. **Page 5.**

Saudi Arabia is bracing for an expected record 3 million Moslems for the annual pilgrimage to Mecca. **Page 5.**

Three months after Panama's presidential election, there is growing evidence of voting irregularities. **Page 5.**

BUSINESS/FINANCE

The U.S. economy grew at a 7.6-percent rate in the second quarter, with inflation holding at 3.2 percent. **Page 7.**

The Saudi oil minister has predicted a sharp rise in worldwide oil demand by the end of next month. **Page 7.**

Syrian General Meets With Lebanese to Push Stalled Security Plan

BEIRUT — After three nights of fighting between Christian and Muslim forces in the mountains above Beirut, Syria's president sent a top adviser to meet Monday with President Amin Gemayel and Prime Minister Rashid Karami in an attempt to reactivate Lebanon's stalled security plan.

Ten people were wounded Sunday night when Lebanese troops and Christian militiamen clashed for nearly six hours with fighters of the mainly Druze Progressive Socialist Party southeast of the capital.

The clashes, including tank gun and heavy mortar fire, were the most violent since fighting in the Beirut area was halted July 4 under the Syrian-backed security plan.

Three shells hit the grounds of Mr. Gemayel's palace in the hillside suburb of Baabda but caused no casualties.

Behind the Druze front lines, a family of six and a Sri Lankan worker were wounded in Beirut. The confrontation was set off by sniper fire earlier that weekend.

General Mohammed Khali, a top adviser to President Hafez al-Assad of Syria, met for six hours with President Gemayel and Prime Minister Karami in Mr. Gemayel's native village of Bikfaya to discuss the Lebanese cabinet's stalled plan to deploy troops in the Chuf mountains.

General Khali said after the meeting: "There are obstacles for which there may be a suitable solution." He gave no details and later flew back to Damascus with a message for President Assad from President Gemayel.

Syria, which strongly supports Mr. Karami's national unity government, wants an end to the mountain clashes as soon as possible to consolidate security in Beirut.

General Khali's visit may pave the way for the cabinet to reactivate the much-revised mountain security plan at its Wednesday session. It approved one version when it last met on Aug. 8.

Mr. Karami said then that the first phase, under which mainly Druze army units would occupy positions now held by the Progressive Socialist Party, could begin in 10 days. But there has been no progress since.

In other stages, Mr. Karami wants to deploy the army on the Beirut-Damascus road, on the coast roads north and south of Beirut, and in provinces held by Muslim and Christian militias.

Walid Jumblat, a Druze leader and cabinet minister, has linked future stages to reforms to give Muslims more political power.

Nabih Berri, who heads the Shiite Muslim militia Amal and is also a cabinet minister, wants Mr. Karami to give priority to reopening the road to the Israeli-occupied south to connect Shiites in Beirut with those in the south.

The Lebanese Forces, an anti-Syrian Christian militia, refuses to dismantle a lucrative checkpoint on the coast road north of Beirut, where it collects taxes on commercial vehicles.

Israel Closes Crossing
Israeli troops have "virtually sealed southern Lebanon off from the rest of the country," Beirut radio said Monday.

Sources in Tel Aviv told United Press International that Israeli forces had closed off the Batek crossing point for three days, starting Monday, to make renovations in the checkpoint enabling the army to better curtail the flow of guerrilla arms and ammunition. The Israeli Army had announced the closing Saturday.

Because of the closing, almost no traffic will be moving south from Beirut, one military source said. For a year, Druze soldiers have blocked access to the only other crossing — at the Sidon bridge over the Awali River.

Israeli authorities also have said they are imposing tighter controls on vehicle movements in the south this week, further limiting the mobility of the region's more than one million residents.

Al-Baath, the newspaper of Syria's ruling party, was quoted by Beirut radio as having said: "Syria will fight with Lebanon for the liberation of the south, since the interests of Syria and Lebanon are the same."

Israeli troops have occupied southern Lebanon since June 1980, when they invaded the country in a drive against 8,000 Palestinian guerrillas who had been launching attacks on settlements in northern Israel.

Mr. Berri said in an interview published Sunday that Lebanon was not responsible for guaranteeing the security of Israel's northern border, as it has demanded.

"The lamb is not responsible for the security of the wolf," said Mr. Berri, who urged guerrillas on Friday to step up their attacks on Israeli targets in southern Lebanon.



PAIR OF KINGS — King Juan Carlos I of Spain, right, held his daughter, Princess Cristina, while he chatted with King Baudouin of Belgium on Monday at the Spanish monarch's Palma de Mallorca summer palace.

39 Seized in Mine Clash; U.K. Union Attacks Laws

LONDON — Police made 39 arrests Monday as coal miners, who have been on a nationwide strike since March 12, fought with police protecting a handful of working miners in northern England.

The National Union of Mineworkers, meanwhile, announced that it would seek support for a virtual general strike to protest recent laws that it said were aimed at curbing unions.

About 40 pickets at a mine near Sunderland tried to break through police lines protecting 14 men who reported for work. They were driven back by the police and no injuries were reported.

The National Coal Board claims that a steady "trickle back to work" is under way by miners opposed to the five-month-old strike and cites news reports that there is growing resistance to the stoppage even in Scotland, Yorkshire and South Wales, areas that had previously given solid support to Arthur Scargill, the leftist NUM president.

The board said 126 miners, a tiny fraction of the total Scottish force, were working in Scotland Monday, 14 more than on Friday. It added that, altogether, about 45,000 of Britain's 175,000 miners were defying the strike.

The union, however, says that the board's count of working miners is inflated.

The union proposed a virtual general strike in an amendment to the agenda, published Monday, of the convention in September of the

Trades Union Congress, to which British unions belong.

The amendment says the congress should call strikes involving all unions to support any worker fined, imprisoned or punished in any way under employment and labor laws enacted by the Conservative Party government of Prime Minister Margaret Thatcher.

The union was fined £50,000 (about \$66,000) on July 30 by a high court judge for breaking an injunction issued under laws restricting picketing.

Coal miners had attempted to block coal deliveries to a steel plant at Port Talbot in Wales.

The union, which called the strike to protest plans by the Coal Board to close 20 of Britain's 175 mines because they are unprofitable and cut the work force by 20,000, will be directly affected by labor laws that go into effect next month.

The Trade Union Act will strip unions of immunity from private prosecution for damage caused by a strike if the stoppage is called without a ballot of the membership. No vote was taken before the current strike was called.

Other laws, implemented by the Thatcher government in 1980 and 1982, and criticized by labor leaders as "anti-union," make picketing away from the work place and some types of sympathy strikes civil offenses.

Meanwhile, a study by the Midland Bank said that the strike would reduce British economic growth to 2 percent this year.

New Afghan Assault Along Border Leaves 16 Dead, Pakistan Says

ISLAMABAD, Pakistan — Sixteen persons were killed during an Afghan attack on Pakistani territory Sunday, bringing to 49 the number slain in violence along the border in the past week, Pakistani authorities said Monday.

Pakistan said the latest incident, which occurred near the northern border town of Parachinar, was the fifth since Aug. 13. Twelve Afghans and four Pakistanis were killed, the government said.

It said 12 artillery rounds fell on the Pakistani side of the border. Pakistan said it had strongly protested what it called an "unprovoked violation" of the border between the two countries.

An Afghan Embassy representative in Islamabad "was informed in categorical terms that Pakistan takes a most serious view of such repeated violations," the government said.

"Once again, he was asked to convey to the authorities in Kabul to stop these bombings and shellings of Pakistani territory, failing which they would be entirely responsible for the consequences," the Pakistani said.

The border violations occurred within days of a new round of talks in Geneva aimed at finding a political solution to the fighting in Afghanistan, including the border clashes. The talks, being held under United Nations auspices, are due to start Friday.

Subway Crash in London

LONDON — A subway train crashed into the rear of another Monday near the Leyton station on the Central Line, killing the driver of one of the trains and injuring about 30 passengers, police officers and ambulance workers said.

Protestants, Catholics Attack Police in Ulster

BELFAST — Both Protestant and Roman Catholic youths, hurling gasoline bombs and rocks, attacked police patrols in separate outbreaks of violence early Monday, police reported.

As street disturbances continued in Northern Ireland, Sinn Fein, the political front of the Irish Republican Army, announced that Martin Galvin, an American IRA sympathizer who escaped from the police here Aug. 12, would appear Tuesday at a news conference in Dublin. The street violence in Belfast and

in Strabane, County Tyrone, were the latest in more than a week of outbreaks. A spokesman for the Royal Ulster Constabulary said dozens of youths had thrown Molotov cocktails at police officers who were dismantling makeshift street barriers put up by protesters in Belfast's Protestant Shankill Road district.

In Newtownards Road, another stronghold of Protestant militancy, 150 youths raced through a shopping center, hurling stones and smashing windows, the spokesman said.

Catholic youths took the streets in West Belfast and in Strabane, near Northern Ireland's second city, Londonderry, the spokesman said.

Youths threw gasoline bombs at police trucks escorting a fire engine to a burning building in Belfast and stoned police patrols in Strabane, the spokesman said. Police officers retaliated with plastic bullets.

Mr. Galvin, who defied a British government ban against his entering Northern Ireland, escaped as police trying to arrest him charged a rally outside Sinn Fein headquarters in Belfast. Sean Downes, a participant in the rally, was killed and 20 persons were injured by plastic bullets fired by the police.

Mr. Galvin is publicity director of Noraid, the Irish Northern Aid Committee, which supports the outlawed Irish Republican Army's aim of ending British rule in this Protestant-dominated province. Sinn Fein in its statement did not say where Mr. Galvin was. But the announcement indicated that he had been smuggled across the border into the Republic of Ireland.

In London, Prime Minister Margaret Thatcher rejected opposition calls for an independent inquiry into the fate of Mr. Galvin, though she said the decision "may be a matter for argument."

In a letter to the leader of the Labor Party, Neil Kinnock, Mrs. Thatcher said Mr. Galvin "has rightly been described by an American court as an agent of the IRA."

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WORLD BRIEFS

Cabinet Dissolved in Bourkina Fasso

OUAGADOUGOU, Bourkina Fasso (formerly Upper Volta). — Captain Thomas Sankara, head of state of Bourkina Fasso, dissolved the government by decree, a state radio broadcast said. But the broadcast said the foreign, defense, information and health ministers, currently abroad, would retain their portfolios until their return to this West African country, a former French colony.

Bourkina Fasso changed its name by decree earlier this month. The country's radical military leaders marked their first year in power with a country's radical military leaders marked their first year in power with a pledge to break with the country's colonial past and to feed its population. The dissolution of the cabinet occurred only weeks after reports of an attempted coup against Captain Sankara's government.

Iraq Said to Near Nerve Gas Capability

NEW YORK (AP) — Iraq, with the assistance of West German technicians, is nearing completion of a plant capable of producing the nerve gas tabun and possibly mustard gas, Newsweek magazine reported, quoting "highly placed foreign and U.S. sources."

Small portions of the plant may already be working, the magazine said, and the complex will be completely operational within several weeks. Newsweek said U.S. officials once considered an air strike against the complex. The idea was abandoned, the magazine said, when U.S. officials realized that the plant is located too close to Baghdad, and an attack could release a lethal cloud of nerve gas and endanger the city's inhabitants.

[The West German government said Monday it was worried by new allegations that Iraq could convert a German-built pesticide plant to make tabun, Reuters reported from Bonn. An Economics Ministry spokesman said the government was pressing for an inspection by West German experts of the plant built by the Karl Kolb company. Iraq has so far refused.]

Greece Cancels Exercise With U.S.

ATHENS (Reuters) — Prime Minister Andreas Papandreu of Greece has canceled plans for a joint military exercise with the United States in northern Greece because his government perceives no threat from its Communist neighbors, a government spokesman said Monday.

The pro-Soviet Communist newspaper Rizos, which opposes Greece's membership in the North Atlantic Treaty Organization, had reported that Greek and U.S. forces were to participate next month in an exercise aimed at countering a hypothetical Warsaw Pact thrust.

The spokesman for the Socialist government, commenting on the report, said: "The maneuvers were canceled on Mr. Papandreu's orders and will not take place.... For us, Turkey is the only visible danger."

4 Liberians Jailed After Doe's Return

MONROVIA, Liberia (Combined Dispatches) — Four prominent Liberians have been arrested for security reasons soon after the country's leader, Samuel K. Doe, cut short a tour of Europe and returned home, Monrovia Radio said Monday.

It said those arrested included Amos Sawyer, a political science professor who headed a 25-member commission that drew up Liberia's new constitution. Mr. Sawyer has formed a party to contest elections expected next year as part of a plan to return the West African nation to civilian rule by January 1986.

Colonel Larry Bortch and Colonel Jerry Jourley, both members of the ruling National Assembly, and George Klay Klay, a University of Liberia student leader, were also arrested, the radio said. It said the four men would be tried soon.

7 Million in Ethiopia Face Starvation

NAIROBI (UPI) — More than 7 million people face imminent starvation in Ethiopia because of the prolonged drought that has left northern parts of the country without rain for 11 years, according to a report by the United Nations Children's Fund.

The report, released Monday, said that 93 percent of the children in the southern Sidamo region of Ethiopia, on the Kenyan border, were found to be suffering from malnutrition with little hope of recovery. UNICEF, which has its regional headquarters in Nairobi, said the drought has spread from the northern provinces of Tigre and Eritrea to Sidamo and Genu Gofa in the south in the past five years. Eight of the country's 13 regions are considered drought disaster areas.

For the Record

The governor of Hong Kong, Sir Edward Youde, arrived in Beijing on Monday for the 21st round of talks on the British colony's future after 1997. A spokesman for the British delegation said: "Contrary to rumors, this is not the last round of talks."

Railroad police in Johannesburg removed and detonated on Monday three bombs that had been attached to freight wagons in a shunting yard, an official said. The bombs were discovered two days before South Africa's 2.7 million voters of mixed race are to go to the polls to choose parliamentary representatives.

The National Party in Uruguay has decided to ask its jailed leader, Wilson Ferreira Aldunate, to remain its candidate in the November presidential elections. Mr. Ferreira, who was arrested in June on charges of subversive activity after returning from 11 years in exile, had asked the party to pick a new candidate.

Four men, including two airline employees, have been arrested in connection with the July 5 hijacking of an Indian Airlines plane to Pakistan, according to news reports in New Delhi on Monday. The plane, on a flight to Srinagar with 225 passengers, was seized by nine Sikhs and diverted to Lahore, Pakistan. The hijackers, who were protesting Indian government action at the Golden Temple in Amritsar, surrendered in Lahore and Pakistan has refused to turn them over to the Indian authorities.

Seoul was blacked out for 30 minutes Monday, as part of a six-day drill, to test readiness for any North Korean air raid on South Korea. (Reuters)

Uganda Admits 15,000 Died

(Continued from Page 1)
tences have all been commuted." Many of the purported army massacres and other atrocities, Mr. Anyoti said, "were in fact committed by bandits" or by rebels posing as soldiers.

At the Kampala airport armed soldiers stood guard, as they do in many African countries, and the police manned checkpoints on the road into the city.

Few uniforms were in evidence in the capital. In a park, families strolled leisurely, a father and his son kicked a soccer ball to one another and couples lounged on the mowed grass.

A Ugandan student said that the streets of the city were dangerous only late at night, when "there are thieves about."

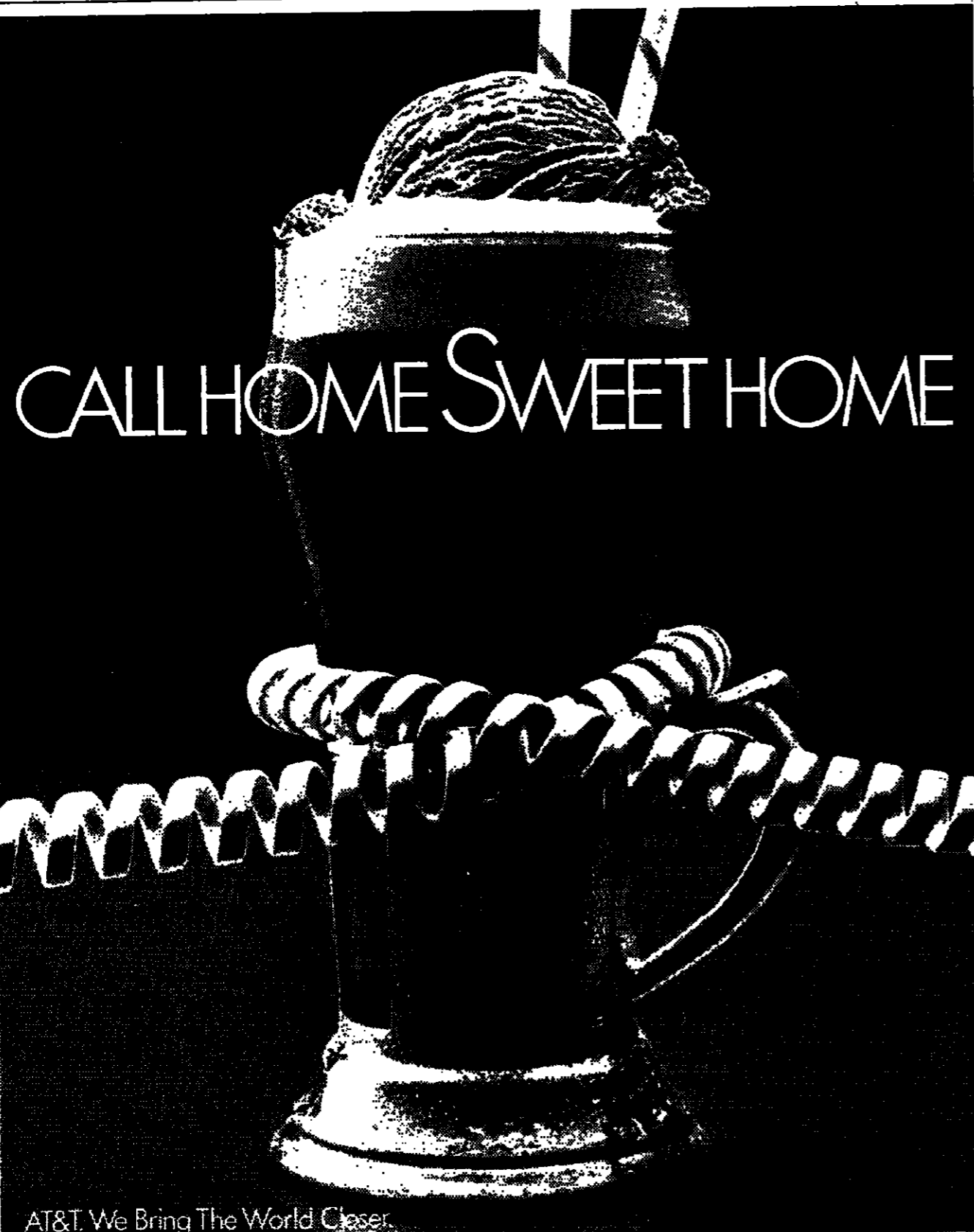
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Republicans Open Dallas Convention In Optimistic Mood

By Phil Gailey
New York Times Service

DALLAS — With President Ronald Reagan and his conservative followers in unquestioned command, Republicans opened their national convention Monday in a mood of cresting optimism as they prepare to nominate Mr. Reagan and Vice President George Bush for a second term.

As Mr. Reagan campaigned in the Middle West before his arrival here set for Wednesday, growing questions about the personal finances of Representative Geraldine A. Ferraro, the Democratic vice-presidential candidate, fed his campaign's confidence that it would be able to use the party's 33d national convention to give the president an impressive start in the fall campaign.

As things stood, there was not even the prospect of a floor fight over the party platform or delegate rules, the only two real issues debated here.

Turning back the last challenge to conservative dominance, the convention's rules committee Sunday rejected a move that would have increased the number of delegates apportioned to larger states in 1988. Under the current formula, adopted in 1972, a disproportionate share of delegates go to states in the South and West, regions that are increasingly at the heart of Republican political strategy.

As a result of that formula, the delegate roster for this year's convention bears little relationship to state size. Every delegate here from Alaska, for example, represents about 4,000 Republican voters, while every New York delegate represents about 25,000 Republican voters.

The amendment, offered by James T. Neal of Indiana, received only 13 votes from the 106 members of the rules committee, well below the 27 needed to get a minority report to the convention floor.

With that issue out of the way and a rock-hard conservative platform ready for adoption, party leaders said they saw nothing to distract from their efforts to put on a political show that they hope will advance Mr. Reagan's chances.

Mr. Bush said those "looking for blood on the floor" at this convention would be disappointed. "The Republican Party has never been closer together, more unified nationally, than it is now under the leadership of Ronald Reagan," he told a rally at his hotel.

Throughout this meticulously planned political extravaganza the city's air-conditioned convention center will offer the 2,235 delegates refuge from the wilting temperatures of 100-plus Fahrenheit (about 38 centigrade) outside but little in the way of political drama inside.

Monday's keynote address is to be delivered by Katherine Devalos Ortega, the treasurer of the United States and the highest-ranking Hispanic member of the administration.

The only real threat to the convention script was the reluctance of the major television networks to broadcast the 18-minute film that is to introduce Mr. Reagan Thursday night.

Sunday, officials of Cable News Network, after viewing the film, announced they would screen it. NBC News officials also suggested that they might broadcast the film.

Reuben Frank, president of NBC News, said he had seen the film, which he described as "pomp" and "cynical." He said it showed the American flag "about 200 times." Still, he said his network might run at least parts of it.

There was no word from CBS News and ABC News on whether they, too, might reconsider their decisions not to show the film.

President Reagan campaigned in the Midwest for the votes of farmers and blue-collar workers for the second day on Monday, United Press International reported from Cincinnati.

In an address prepared for delivery at a rally in Fountain Square, Mr. Reagan warned that "the other side" will "provide the kind of leadership that will make sure we all put on our hair shirts and feel properly despairing again; the kind of leadership that will stop growth and start talking about the age of limits again."

"Well," he added, "the only thing that's limited is their optimism and imagination. Calling for a tax increase was their typical knee-jerk reaction. And believe me, when their knee jerks, you get kicked."

Later in the day, in remarks prepared for a rally at Decatur, Ill., the president said, "I think we are witnessing a transformation in America, a return to those values we all learned here. The roots of patriotism are right here in the heartland of America."

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JELLY-BEAN ART — A portrait of President Ronald Reagan in jelly beans was installed at the Dallas Convention Center on Sunday. It was created by Peter Rocha.

Republicans to Test Feminine Charm

They Claim It Has Nothing to Do With That Other Woman

Compiled by Our Staff From Dispatches

DALLAS — A strange presence among the Republican National Convention, it's the "Ferraro factor." You see it on the campaign buttons, which say, "Women for Reagan," "Women Yes, Ferraro No" and "This Woman Is for Reagan."

You see it in the convention schedule, which showcases women at every opportunity. Among those scheduled to give major speeches during prime television hours are the keynote speaker, Katherine D. Ortega, the U.S. treasurer; Margaret M. Heckler, the secretary of Health and Human Services; and Elizabeth H. Dole, the Transportation secretary.

Jeane J. Kirkpatrick, U.S. representative to the United Nations, is to give the featured foreign policy speech. There were rumors that Mrs. Kirkpatrick, a Democrat, would use the occasion to announce a switch to the Republican Party.

Convention planners insist all this has nothing to do with Representative Geraldine A. Ferraro, the Democratic Party's vice-presidential nominee.

They note with pride that 45 percent of the delegates to the convention are women, up from 29 percent in 1980.

The 4,424 delegates and alternates arriving here are whiter and richer than the country as a whole. Surveys show that less than 5 percent of the delegates and alternates are black, compared with 11 percent of the entire adult population.

And more than 55 percent of the delegates surveyed by a local newspaper said they make more than \$35,000 a year, while nationally, less than 20 percent of the voters have incomes in that range. (UPI)

The temperature in Dallas reached a blistering 108 degrees Fahrenheit (about 42 centigrade) Sunday, making it the hottest spot in the nation. Forecasters said there was no relief in sight. (UPI)

Protesters on Sunday erected 55,000 tiny wooden crosses on a grassy slope near the Dallas Convention Center and read the names of people they said were killed in Central America.

"We hope to make visible the invisible war in Central America," said Sister Patricia Ridgley, spokeswoman for the Committee in Solidarity with the People of El Salvador. About 300 people attended the rally. (UPI)

Brian Wilson of the Beach Boys

pop music group and two other men were charged with trespassing Sunday after police found them at a restricted convention site without credentials, authorities said.

The two men with Mr. Wilson,

CONVENTION NOTEBOOK

who listed themselves as medical employees of the Beach Boys, also were charged with misdemeanor possession of drugs after almost 270 pills were found on them, said Bob Knowles, a police spokesman. Mr. Wilson, 42, was freed after posting a \$200 bond. Mr. Knowles said.

The Beach Boys performed Saturday night for Republicans and members of the media. Last year James G. Watt, then the Reagan administration's interior secretary, banned the Beach Boys from performing in July Fourth celebrations at the Washington Monument. (AP)

Souvenir elephants are definitely a supply-side affair. Many thousands of the Republican symbols,

in a variety of forms, have been stockpiled. There are elephants made out of sphagnum moss and petrified bread dough and even an elephant piñata, ready to be filled with whatever — Reagan-Bush buttons or tiny cowboy hats — and battered apart.

At the ritzy Neiman-Marcus store in downtown Dallas, buyers can pick up a set of four glass stirrers topped with tiny pink glass elephants for \$5.50. The same store asks \$100 for a bracelet etched with, guess what, pink elephants. (LAT)

Monday's events at the Republican National Convention were to include:

Speakers, besides Ms. Ortega, Mrs. Kirkpatrick and Mrs. Heckler, include Senator Howard H. Baker Jr. of Tennessee.

The platform committee is to ratify the proposed platform, and the delegate rules committee is expected to complete its business. There was only a slight possibility that dissenters on the rules would be allowed to file minority reports. (AP, NYT)

caused the underwater explosions that have damaged 19 ships since July 9.

The United Arab Emirates daily Al Fajr said that both superpowers were responsible for laying mines in the Red Sea as part of a "plot to divide the region between them and split its people."

Al Wahda, another Emirates daily, linked the mining to the Iraqi and Iranian attacks on tankers in the Gulf and the Israeli invasion of Lebanon, saying that all were part of "the same plot to sow seeds of dispute among the people of the region."

24-Hour Alert Aboard Ship
David Lamb of the Los Angeles Times reported aboard the USS Shreveport in the Gulf of Suez: U.S. servicemen aboard the helicopter carrier Shreveport, which is hunting for mines in the Gulf of Suez, are manning gatling guns and Stinger missiles on 24-hour alert in case of a terrorist attack.

Officers said they had no firm indication that any attack was planned. Western journalists flown out to the Shreveport Sunday were struck by the contrast between the Shreveport's preparedness and the posture of the U.S. Marine peacekeeping force that entered Beirut two years ago and carried unloaded weapons during most of its mission.

"We're not really worried," said the Shreveport's commander, Captain Robert J. Lannet. "The Egyptian Navy has very tight security and it's challenging every vessel that passes, checking its identity and cargo, sometimes conducting searches. But we want to be ready in case terrorists do get past the navy."

Boris Stern
WASHINGTON (UPI) — Boris Stern, 92, a former Labor Department official and United Nations technical expert who was an economist, author and Middle East specialist, died Sunday in Madison, Wisconsin. He had Parkinson's disease.

Manlio Quarantelli
MILAN (UPI) — Major Manlio Quarantelli, 57, Italy's best-known test pilot for 30 years, died Saturday of injuries suffered in June when he ejected from the prototype of a new air force fighter-bomber.

DEATH NOTICE
Mr. Jean-Claude Rennesson has the sorrow to announce the passing of his mother

MADAME ANDRE RENNESSON on August 3 in Athens, Greece.

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Basque Violence Spreads to France As Government Studies Extraditions

By E.J. Dionne Jr.
New York Times Service

HENDAYE, France — Three worlds met last week along the beach in this coastal town near the Spanish border.

Marching up the rue des Grenadiers toward the water were several hundred protesters shouting demands that France refuse to extradite any of the Basque refugees that Spain is seeking on terrorism charges.

To their left, on the waterfront boulevard, several dozen French policemen looked on silently, sweating in the sunshine under their heavily padded blue uniforms and plastic helmets. Their commander, using a bullhorn, told the demonstrators that their march was illegal.

All this was being taken in by a crowd of men in bathing trunks and women in bikinis who had interrupted their tanning to take a look at the commotion that had intruded on their vacation.

French politics and diplomacy have produced an unlikely mélange of tourism and terror in the Basque country this summer.

After years of refusing to cooperate with Spain on the problem of Basque violence, the French government has declared its willingness to help Prime Minister Felipe Gonzalez of Spain in his war against the ETA (Basque Homeland and Liberty), the Basque guerrilla movement.

A court in Pau has ruled that four Basque refugees accused of murder and other crimes can be extradited to Spain, a judgment that in effect threw the final decision back to President François Mitterrand's government.

These actions have had violent results, especially in this area but also wherever French interests are to be found in Spain.

Bombs have gone off at a dozen stores and factories in Spain connected with French interests. French tourists in Spain have had their cars blown up or their tires slashed.

France has never sent Basque refugees back to Spain, and almost any decision to help the Spanish government, many people believe, could lead to more violence.

For even as the Basque nationalists threaten more attacks, a mysterious rightist death squad known as the GAL has been killing Basque refugees in France.

The GAL has killed nine refugees so far, but it interrupted its activities this summer.

On top of all this, there have been mysterious explosions at three factories in France where Basque refugees were thought to work.

"Are extraditions the solution?" asked a court official in Pau who is handling the case. "If they happen, there will be agitation, but the Spanish government will be satisfied. If they don't happen, the Spanish will be unhappy and the GAL may resume its activities."

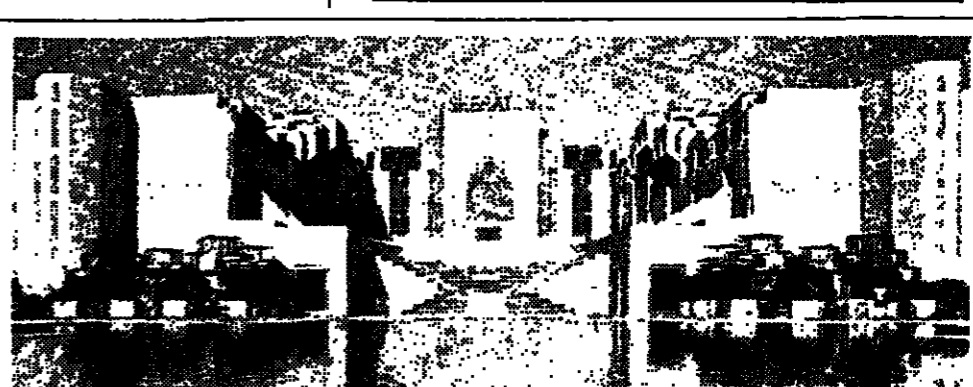
For years after the victory of Franco's forces in the Spanish Civil War, the Pyrenees Mountains along the border provided escape routes for liberals and Communists, Socialists and Basque nationalists seeking to escape Spanish repression.

France was proud of its role as a land of asylum, and there was no question of sending the Basques back to Spain while Franco was in power.

31 Turkish Leftists Arrested
The Associated Press

ANKARA — Turkish security forces arrested 31 suspected leftist militants earlier this month in the Aegean coastal city of Izmir, the Anatolia news agency reported Monday.

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Herald Tribune

Published With The New York Times and The Washington Post

Can Soot Be the Deterrent?

After a nuclear war, according to a new conjecture, will come nuclear winter, a cold darkness so profound that land in both hemispheres will freeze, crops will fail and life will perish. War between the two major powers would thus bring inevitable disaster to all other countries, too. Is the thesis well founded? And if it is, then what?

Nuclear war has long thought unlikely to affect the global climate. According to the National Academy of Sciences, nuclear bombs would only pulverize rock, with a result no worse than the dust clouds puffed up by volcanoes. "At most," concluded the academy in 1974, a half-degree temperature change from average could be expected from a 10,000-megaton nuclear exchange.

Like everybody else, the academy overlooked one thing: soot. When cities burn, as did Hiroshima and Nagasaki, tons of it are created. Dust merely sooters sunlight but soot absorbs it. The two scientists who saw the importance of soot, Paul J. Crutzen of West Germany and John W. Birks of the United States, suggested in 1982 that nuclear-sparked fires could blot out sunlight for weeks.

That has prompted new studies, including several by the Reagan administration, which is, to its credit, taking the nuclear winter idea seriously. Everyone agrees soot was wrongly ignored. But, until the studies are completed, it is premature to accept the details of any one forecast of nuclear winter, including that issued by a group of scientists last November.

Everything depends on how much soot gets how high. Forest fires now produce a third as

much soot each year as a nuclear war might create, but it never gets high enough to derange climate. Nuclear-made soot, if not dispersed by winds, might billow up to the stratosphere, beyond the reach of weather, and linger for months. On the other hand, unlike high dust, the high soot clouds might disperse because of their own absorbed heat.

When all such uncertainties have been narrowed, a climatic effect of some degree is likely. It may set an upper limit — more likely a range of values — on the megatons that might be exploded over cities without triggering climatic catastrophe. What difference would such a threshold make?

In the short term, perhaps not much. Not even a new dimension of terror can undercut policies based on deterrence. If necessary to preserve the credibility of deterrence, arsenals could be adapted to minimize soot effects. A climatic effect is yet another strong argument for negotiating steep reductions in nuclear arsenals. But if the megatonnage threshold is too close to what minor nuclear powers already have or could attain, major powers may shrink to step beneath it.

Yet if the new calculations show a significant climatic effect from soot, nuclear winter would, more certainly even than other horrors of nuclear war, mean the end of civilization. No country would survive, possibly not even a family. That prospect has to make a difference eventually, however successful the policy of nuclear deterrence has been so far, and however invisible the alternatives.

— THE NEW YORK TIMES

Split Personality in Dallas

The Republican Party began its convention in Dallas yesterday amid an argument about what that party actually has become. This is understandable. Republican activity of the national kind seems split between two oddly ill-matched pastimes these days.

One is the remorselessly earnest development, down to the last detail, of a new conservative ideology. This is a kind of political fundamentalism that seeks to apply, literally and rigidly, certain conservative principles to just about every aspect of life. It leaves little to choice, and practically no room at all for human error, weakness, dissent or discretion.

The other main activity of the Republicans in this campaign year has been the staging of photographs and tableaux — images, really — that suggest a genial, open-armed and open-hearted administration strolling amiably through America's joys and sorrows, reassuring us that all will be well. There is the scene with the Dallas Cowboy cheerleaders, the one with the First Family decked out in Olympic blazers, the sober and melancholy stroll along the beach in Normandy, and so forth.

One message is tight and demanding, the other loose and relaxed. In a way the two stand as pretty good representations of the actual conflict within the Republican Party. It is between those who wish to sharpen and thus narrow the definition of what it stands for, and those who want a little more tolerance, a little more discretionary space, a bigger tent. This, not the traditional conflict between liberal and conservative Republican ideas, is what the tension in the party now is all about.

In Dallas last week, this was the encounter taking place. The narrow-down prevailed. Republicans modestly aspiring merely to leave room for some who do not oppose the Equal

Rights Amendment, for example, were not allowed even that small and ambiguous satisfaction. The people in charge gave no quarter.

The argument among the various parties to this dispute, of course, begins with an argument over whether the ideology espoused in the current platform is special and narrow or whether, as its proponents believe, it represents the views of genuine mainstream America. But it does seem to us that the better of this argument is that those figures, starting with Ronald Reagan himself, who have done the national running for office or who intend to and who, with one or two notable exceptions, are on the side of easing and opening up.

Not so long ago the Republicans were widely thought of as a minority party with minority views that had always to be reaching leftward to a political center if they were to win elections. This is not nearly so self-evident as it once was. These days it seems the other way around: The Democratic Party needs to reach rightward to prevail. No one can be sure how much of all this has to do with personalities and fate — the Democrats have really hashed it up for themselves in recent years, and the Republicans have been led by a man of great personal popularity and political skill.

In some ways Dallas is about other contests to come soon. The would-be successors are there, and not nearly so certain as some of them sound that the current Republican self-definition is the right one for a successful political future. One gets a sense that this is a party whose voice does in fact represent much that is going on in the lives and minds of Americans today — but a party, too, that stands in danger of missing this opportunity by writing itself into a small political corner.

— THE WASHINGTON POST

Fear of Freedom in Haiti

For 26 years under two Duvaliers, Papa Doc and Baby Doc, fear has haunted the lives of 6 million Haitians — fear of hunger and disease in the hemisphere's poorest nation; fear of the Tonton Macoutes, the bodyguards with a license to kill. But Jean-Claude Duvalier, who has succeeded his father as president-for-life, is also dogged by fear — of freedom.

In May, when the U.S. Congress was reviewing an aid package of \$54 million, Mr. Duvalier promised press freedom and respect for human rights. His word, when tested, proved worthless. At the appearance of critical newspapers, he silenced them by decree and banned all political activity except his own. This is an old story for Haitians: he has enough to defy Baby Doc. One is Silvio Claude, 50, leader of the tiny Christian Democratic Party, whose newspaper was among those silenced. He has been to jail six times since 1979, when he spunkily ran for parliament in one of the regime's "elections." He has endured torture, detention, house arrest and banishment; two sons are in exile; a daughter was recently mauled by security police.

Equally shameful has been the persecution of Gregoire Eugene, leader of the Social Christian Party, a constitutional lawyer who once tutored the younger Duvalier. In June he was seized without charge or the required warrant in reprisal for views expressed in his journal, *Fraternité*. He was dismissed from his professorship at the national university and is now at home, under close police surveillance.

These affronts occurred after Secretary of State George Shultz had certified to Congress that human rights were advancing in Haiti. Baby Doc repaid the favor by making nonsense of Mr. Shultz's assurances. President Duvalier shows no qualms about contempt for American opinion because he counts on indifference and inattention. And because Haiti's per capita income is a meager \$280 a year, he knows that Congress is reluctant to withhold economic aid. But \$1.4 million is earmarked for military training and security programs. Deleting that sum would be a useful way of serving notice that the United States will not be forever taken for granted.

— THE NEW YORK TIMES

FROM OUR AUG. 21 PAGES, 75 AND 50 YEARS AGO

1909: Indianapolis Track Is Deadly

INDIANAPOLIS — The American Automobile Association has issued an ultimatum that changes must be made in the new Indianapolis motor speedway, where William Baugher, aged twenty-six years, the driver of a Knox automobile in the 250-mile race, and his machine, Henry Holcombe, aged twenty-two, received mortal injuries [on Aug. 19]. The Knox automobile, which reached fourth place, was being driven at a rate of twenty-five miles an hour. When the accident occurred it was on the fifty-fourth lap. On the home stretch the machine skidded and "turned turtle." Robert Burnham won the race in a Buick machine in 4hr. 38min. 27sec. The course has dangerous turns and ruts, which caused Louis Chevrolet, a French driver, to retire from the race.

1934: Speaker Henry T. Rainey Dies

WASHINGTON — The death of Speaker Henry T. Rainey [on Aug. 19] deprives the President of one of his staunchest supporters in the Lower House, and it may precipitate a battle for the speakership between the New Deal and old line Democrats. His death came as a shock to Washington and to the White House, as it was not even known that he was ill. In a tribute to the Speaker, the President said: "I will always think of him as a humanitarian whose fine patriotism thought first of all of what he conceived to be the well being and the interests of all the people." His death will complicate the task of the Administration in the next Congress, because of the forceful manner in which he backed up the President and his ability to placate intra-party quarrels.

Nuclear Autumn's Mad Enough

By John A. Osmundsen

NEW YORK — More than a dozen U.S. government agencies are going to spend up to \$50 million in the next five years to try to determine whether the dust, soot, ash and smoke raised in a nuclear war of indeterminate proportions would blot out the light of the sun and bring on a "nuclear winter" in which life on Earth would be all but extinguished. I admit, it seems like a good question to ask before things get further out of hand. After all, there is a growing consensus that the calamity of nuclear war might well occur. Richard P. Turco, a physicist and one of the "fathers" of the nuclear winter theory, says that "initially, there was lots of skepticism about the idea that we could end life with a nuclear exchange. 'People tried to punch holes in it, but that didn't work.'"

But another "father" of sorts — this time of the hydrogen bomb — said that too many uncertainties remain. The conclusion that Edward Teller drew was that attempts at specific predictions — presumably, in light of Dr. Turco's statement, predictions as to whether all life would vanish, or only humanity and a few other sensitive species — were extremely premature. Seriously, what can we expect from a five-year, \$50-million attempt to answer these fascinating questions? The worst — or best, depending on your perspective — would be a finding that nuclear war is certain to

extinguish all life on Earth. And what is the best we can expect from the study? It is highly unlikely that it will definitely establish whether nuclear war would extinguish life. Science is seldom able to come up with unequivocal answers or prove a negative — here, that life would disappear. Therefore, the most we can expect is the conclusion that a nuclear war might — but also might not — bring human existence on this planet to an untimely end. Some comfort.

The point, however, is that such a result leaves us in the same spot — minus the \$50 million, of course — that we are in right now. That spot is that we don't know what the outcome of a nuclear war would be, and we can't afford to find out for certain, meaning that nuclear war is out of the question and always will be.

If the United States government is determined to spend \$50 million in the rarefied realm of apocalyptic conjecture, then a better question might be: What does it mean that civilization has evolved to the point of being able to debate seriously whether it has acquired the power in effect to pull the plug on all earthly life?

The writer, formerly a science reporter with *The New York Times*, is author of the forthcoming *Sweet Reason: On Life, Love and War in the Nuclear Age*. He contributed this column to *The New York Times*.

Power in Zimbabwe: Mugabe Gets a Freer Rein

By Colin Legum

LONDON — The first congress of the ruling party, ZANU-PF, on Zimbabwe's soil has brought an important turning point in the country's political history. After four years of independence, the government and the political system were already overdue for a major shake-up.

Prime Minister Robert Mugabe has emerged much more strongly entrenched from the reorganization of the ruling party's machinery. He now has effective executive authority in the party that matches more closely his personal authority in the country. A major advance of the new political structure of ZANU is that it removes the party's Central Committee as an independent power base in rivalry to the cabinet.

The Central Committee of 30 members — most of them elected while in exile during the liberation struggle — has been the political authority ultimately responsible for government policy. It has now been tripled and converted into an advisory body. With so many members, meeting perhaps quarterly, it will no longer be so easy for cliques within ZANU to manipulate the committee as an instrument to obstruct the prime minister and the cabinet.

Effective power within the ruling

party passes to a 15-member Political Bureau, or Politburo. Use of this latter term has been interpreted in some Western media as indicating Soviet influence. In fact, the term has been widely used by African political parties (especially in French-speaking countries) as an alternative description for a central committee or executive committee.

Soviet influence is distinctly absent in Zimbabwe, and especially in the development of Mr. Mugabe's political ideas. These have been strongly influenced by the Chinese rather than the Russians.

The three key people in the new Politburo are Mr. Mugabe, his deputy prime minister, Simon Muzenda, and the administrative secretary, Maurice Nyagumbo. Mr. Muzenda, a man of sober views, is widely respected as the "grey head" of the party. Mr. Nyagumbo, who spent most of the years during the liberation struggle in prison, is a notably moderate, tolerant and humane political figure.

This trio will wield considerable influence within the Politburo and thus within the party and the government.

Despite Mr. Mugabe's strong emphasis on the need to turn Zimbabwe into a single-party state as the best

way to establish national unity, there is little likelihood of this change occurring in the near future, since he is personally committed to achieving this by constitutional means.

The Lancaster House agreement imposed an independence constitution that requires a 100-percent vote of Parliament to make any substantial change in the constitution. The requirement stands until 1990. Unanimity would require that three groups of parliamentarians be won over to the idea of a single party: Joshua Nkomo's opposition Patriotic Front group (ZAPU), the remnants of Ian Smith's Republican Front, now numbering only seven; and the 13 independent white members.

Mr. Mugabe continues to emphasize the single-party issue, to persuade people of the need for the change. Similarly, he speaks of the importance of Marxist-Leninism, while pursuing pragmatic policies in developing a mixed economy.

Like President Julius Nyerere of Tanzania, Mr. Mugabe is a believer in political education. His speeches should be interpreted as those of an educator and reformer rather than an impatient revolutionary. Nobody

Power in East Germany: A Party Out of Touch

By Franz Loefer

This is the second of three articles.

COLOGNE — Formerly, a Communist party's leadership is elected by the party members. Actually, the Politburo appoints itself.

Once a member of the Politburo, always a member. I remember the late East German Politburo member Friedrich Ebert, then in his 80s, confiding to me that he was much too old to resign but the Politburo turned him down on the grounds that he would set a bad precedent. Mr. Ebert died a member of the Politburo.

There are nearly 2 million members of the party (about one East German in 10), but most have little or no say in major decisions.

Everything appears democratic, of course. When a new Central Committee is elected, local cells in factories, offices and housing projects send delegates to a local caucus, which sends delegates to a district convention and

so on up to the party congress, which elects a new Central Committee every four years. I can attest from my experience as leader of a local cell and delegate to a district convention that this is really a farce. There is no real grass-roots involvement. The election is orchestrated from the top.

At the 10th Party Congress in 1981 there was a blatant example of this. When the delegates arrived in Berlin they found in their hotel rooms lavish gifts, including pocket computers and digital watches — items that ordinary citizens cannot buy. Before the congress began, the price they had to pay for those gifts was made clear: "spontaneously" rise from their seats and applaud the re-election of General Secretary Erich Honecker (who at that time was not even formally elected), and to practice what slogans they would have to shout.

Is it any wonder that apathy and cynicism about the party and government are widespread?

A recent study of the effectiveness of the main political television news program, "Die Aktuelle Kamera" (Contemporary Camera), estimated that 3 percent of viewers switched on this program. After 1 minute, 0.2 percent were still watching.

The party leadership is fully aware of this. It has issued numerous resolutions criticizing the catastrophic state of its propaganda. But nothing has changed. I often discussed this problem with the late Politburo member Albert Norden, then responsible for propaganda. He would shrug his shoulders helplessly.

The party machine is too ossified, and the whole bureaucracy too inflexible, to change its propaganda. Instead it constantly repeats stale phrases such as "conditions in socialist society are continually getting better" or "capitalism is dying."

Every Thursday morning the heads of the mass media show up at the Central Committee in Berlin to hear the head of the Central Committee's propaganda department give the party line for the coming week. The slightest deviation from the line is suicidal, so all the media say the same thing in the same dull, dogmatic way.

Meanwhile, the party maintains its power through iron discipline. Not long ago, when I was active in the East German peace movement, I published an article in the German Journal of Philosophy maintaining that the words of the Jewish prophet "to beat the swords into plowshares" do not contradict Marxist philosophy. (The phrase had become the slogan of the peace movement.)

Soon afterward I was criticized by the assistant head of the department of science in the Central Committee. From that point on I was completely isolated. I was unable to publish articles of books or speak in public. I was an enemy of the state, and my career was at an end.

It is not hard to see why Communists bosses sooner or later become corrupt, dictatorial, insensitive and inflexible, or how the machine loses its sense of perspective, its orientation, its understanding of its role in society and history.

In East Germany there have not yet been any excesses comparable to those of the Stalin era in Russia, or to the genocidal rule of Pol Pot in Cambodia. But the corruption of the leadership has gone a long way.

The writer served as first secretary of the Communist Party at Humboldt University in Berlin for many years and was for the last 20 years a member of the presidium of the East German Peace Council. He contributed this column to *The Washington Post*.

The Fact Is, Scientists Usually Don't Know — Yet

By Daniel S. Greenberg

WASHINGTON — Long ago convicted by medical authority as the villain in deadly high blood pressure, salt recently joined the lengthy list of confusing scientific flip-flops over what is good and bad for a prudent diet. Thus, once again, the public finds reason for exasperation with science's recurring failure to get things settled for keeps. What's going on?

The answer is that science is functioning as it always has — in fits and starts of exploration that, step by step, plus many mistakes, seeks to understand our puzzling world. What is different now is that there is a booming science press out there providing blow-by-blow reports for a public yearning for healthful longevity.

In olden times, the twists and turns of scientific research rarely spread beyond the professional boundaries of science. Today they are instantly conveyed to this eager public by science writers who scrutinize research journals and prow through laboratories in quest of the latest findings. The salt episode illuminates the process.

Although excessive salt and high blood pressure have long been paired in established medical wisdom, an alternate view was developed through a study carried out by researchers at the Oregon Health Sciences University, in Portland, and Temple University, in Philadelphia. They attributed blood pressure increase to deficiencies

of calcium, potassium and vitamins. They even propounded the revolutionary idea that high blood pressure could result from too little salt.

This turnaround view on a supposedly settled matter of diet and health was published in a journal that is esteemed among scientists although little read by the general public, the *Journal of the American Association for the Advancement of Science*. It was promptly reported on the front pages of *The New York Times* and many other American papers.

Why all the media attention? Because the turnaround was plainly newsworthy by one of the generally accepted definitions of "news": anything unusual of public import. In addition, it could be argued that there is a public-service element in spreading the word about a potentially important health finding — although the news accounts clearly noted that the findings were disputed by other researchers.

Along with those often-heard complaints that science says "everything causes cancer," the salt episode lends itself to droll commentary about the inexactitude of a profession that is supposed to be the model of precision. But it is hard to make a case for any failing on the part of the

researchers whose work ends up in the popular press. Some of them are publicity hounds and seek out attention. But the basic problem is that we have come around to the view that science is too important to be left to the scientists.

To judge from the proliferation of pop science magazines, television coverage and newspaper science sections in the last four or five years, the public is keen for news about science. The difficulty is that science, unlike an airplane crash, is frequently incremental, tentative and inconclusive. It comes in bits and pieces — many of which, like the salt report — contradict earlier findings. If science journalism concerned itself only with matters that are scientifically settled for all time, pickings would indeed be lean.

Readers puzzled by the cacophony of scientific news might keep that in mind and refrain from investing too much faith in the finding of the day. Although science seeks to project an image of bedrock certitude, it is actually a most uncertain enterprise. H.L. Mencken credited scientists with "a boundless, almost pathological thirst to penetrate the unknown," but he also noted that the process of research is akin to "a dog sniffing tremendously at an infinite series of ratholes."

The writer is editor and publisher of *Science & Government Report*, an independent newsletter.

Forget New York: Win in Bordeaux

By Verne W. Newton

WASHINGTON — Forget about the Ferrari factor, Central America, Texas, the polls, deficits and debates. It is events in France, not America, that determine who wins in November. *In vino veritas* — in wine is the truth. When Bordeaux has a good year, the Democrats reap the benefits. When it has a poor year, Republicans win.

The link became apparent in 1956, when one of France's most dismal postwar vintages was followed by Dwight Eisenhower's landslide re-election. The obligatory exception to the rule was got out of the way in 1960, a disastrous year for Bordeaux. John Kennedy won anyway — Cook County being impervious to any laws except those uttered by Mayor Richard Daley, who didn't like wine. But since 1960 the trend has been unbroken.

In 1964, a good Bordeaux year, Lyndon Johnson reaped his landslide. In 1968, after fine years in 1966 and 1967, Bordeaux suddenly plummeted, catapulting Richard Nixon into the White House.

Things looked good for the Democrats in 1970 and 1971 as the vintages skyrocketed to incredible ratings. Predictions from Paris said 1972 would be one of the greatest vintages ever, and in America the Democrats started boasting that anyone could beat Nixon.

Disaster struck. Too much rain and lingering cold caused the French wine market to come crashing down, taking George McGovern and the Democrats with it.

The magnificent 1973's were followed by a very solid '76, good enough for a Jimmy Carter victory. It looked as if the Democrats were on a roll with a superb vintage in 1978 and a robust follow-up in 1979. No party in this century had lost the White House after only one term... but now the luckless Jimmy Carter fell victim to a late rain that washed precious bacteria off the grapes, and 1980 ended up as the worst vintage in the last nine. So Ronald Reagan marched into the White House.

Now that you know all this, how can you make it work for you? The crucial months are August and September. So you can get your money down on a sure thing.

Here's what to look for: If France has a hot, dry August with a little bit of rain at the end followed by mild September days, things will be looking very good for the Democrats. But if August brings too much rain and is unseasonably cool, or if it is a cool wet September, you can ridicule the idea of a woman in the Oval Office.

Above all, watch the key indicator: the day when the French authorities declare the grapes mature by issuing the *bon de vendange* — the proclamation of the harvest — which means that the grapes can be picked. If it comes in late September, after weeks of agreeable weather, cash in the college trust fund and the Individual Retirement Account and put everything you've got on the Democrats. If the picking starts on Sept. 26, start naming your



DEVIS GREBU

offspring Walter and Geraldine — it could be a landslide. But if the weather has been wet and cold and the grapes still aren't ready by Oct. 3, bet the ranch on the Republicans — and, for insurance, pray that those beautiful undulating Bordeaux vineyards are hit with a late cold snap or, even better, lashed with hail.

One way or another, rain or shine in Aquitaine, the whole thing will be over by early October.

Sure, the candidates will have to go through the motions, exchanging charges and accusations about the deficits, nuclear war and other meaningless chatter. Sure, the press will breathlessly assure you that the campaign is "heating up," and the pollsters will insist that it is "too close to call." But you will know that your fortune does not depend on anything so erratic as campaign-ending blunders, the whims of swing voters or election-day turnout. The networks will bludge Texas voters with exit polls, but for you the only exit poll that matters will have happened weeks before when some unknown oenologist declared the Bordeaux grapes mature.

The writer, who claims a modest collection of good vintages, contributed this treatise to *The New York Times*. (The weather word from Bordeaux, after a dampish and cooler-than-average first half of August, is that the American election result is still up in the air.)

LETTERS TO THE EDITOR

IBM's Role in Europe

Regarding the report "IBM Links With Big Names in Europe in Bid to Increase Its Share of the Market" (Aug. 15) by David E. Sanger:

Your article on IBM Europe gives, I believe, a misleading impression of IBM's standing in Europe. Your article states that "for as long as it has sold computers in Europe, IBM 'has been an outsider.' On behalf of IBM's more than 100,000 European employees, I wish to take exception to that statement. IBM has been well integrated in the European community for more than 60 years as an investor, employer, manufacturer, consumer, exporter and taxpayer.

We have 15 plants and six research and development facilities in the 10 countries of the European Community, and last year invested almost \$1.2 billion in plant and manufacturing equipment. We are among the 10 largest taxpayers in the Community, last year paying over \$1 billion in taxes. Our roots in Europe run very deep, in terms of people, resources and long-term commitment.

I also want to set the record straight on IBM Europe's contribution to IBM's total revenues, which your article states has been declining. IBM Europe's revenues in absolute terms have grown an average of 25 percent annually since 1981, about the same as IBM worldwide. Virtually all of the so-called "decline" in IBM Europe's share of total IBM revenues can be attributed to the various European national currency exchange rates versus the U.S. dollar.

As I believe IBM's customers in Europe well recognize, we are an important part of the fabric of the data processing industry in Europe, and we are helping to modernize European businesses and make it more competitive in world markets. We have a long record of contribution in Europe, of which we are very proud. Any suggestion that we are "outsiders" is quite simply wrong.

KASPAR V. CASSANI, President, IBM Europe, France, France.

Light on Paraguay

I would like to commend Martin Andersen for his insightful article on Paraguay ("Paraguay Retains Trend of Neighbors to Liberalize," Aug. 3). Mr. Andersen points out that General Stroessner has been in power for 30 years, giving Paraguay the dubious distinction of having the longest running state of siege of any country in the world. The United Nations Commission on Human Rights, at its current session, expressed concern over human rights violations in Paraguay and passed a resolution (1984/46) "inviting" the government to consider ending the state of siege in order to promote human rights in the country. Mr. Andersen indicates that there is little chance of that.

Amnesty International, in its February 1984 report on Paraguay, documents cases of arbitrary arrest, detention without charge or trial, torture, death in police custody, and "disappearance" both in Paraguay and among Paraguayans in Argentina.

In other Latin American countries, notably Argentina, entrenched patterns of repression have been measurably relieved by intense media scrutiny and the resulting international condemnation. It is not unknown for governments to alter their practices under the constant glare of worldwide exposure. Torture and repression breed and flourish in the dark.

LISA J. SCHWELB, Edinburgh.

West Germans and Kids

Regarding "Take the Kids and Go: Survival Notes From Around the World" (Weekend, July 6):

As an American father of a 13-year-old daughter born and raised in West Germany, I cannot agree with any of your negative statements about the treatment of children in West Germany. The article was not only unworthy of appearing in your newspaper, it was also insulting to the West German people and nation.

EDGAR L. BERGMANN, Hofheim, West Germany.

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3 Million Are Expected On Pilgrimage to Mecca

Saudi Arabia, Seeking to Ease Crush, Tries to Discourage Repeat Travelers

By David Lamb
Los Angeles Times Service

CAIRO — Moslems throughout the Islamic world are preparing for what has become the largest religious celebration at a single site on Earth: the annual pilgrimage to Mecca.

Saudi Arabia, the guardian of Islam's holiest sites, is expecting a record 3 million Moslems for September's hajj, a pilgrimage every able-bodied Moslem is expected to make at least once in a lifetime. Many go five and six times.

The crush will be so great that the Saudi minister of interior, Prince Nayif bin Abdul Aziz, has called for the number of pilgrims to be restricted and is discouraging all but first-time visitors. A group of Islamic scholars met in Mecca not long ago to study the "legal eligibility" for pilgrimage.

The rites at Mecca historically have served to unify Moslems, bringing together rich and poor, influential officials and peasant herdsmen, believers who speak different languages, have skins of different colors, live in scattered homelands.

In the past, making the hajj generally meant making a perilous trip on foot across the desert. This year, Egyptian pilgrims in chartered ships are crossing the mined Red Sea.

Throughout the Moslem world, most airports will be teeming with pilgrims, the men dressed in seamless white garments that leave one shoulder exposed, the women veiled and cloaked so that no flesh is showing.

For months, Saudi officials have been circulating throughout the Arab world, selling travelers' checks in Saudi currency. Officials in Riyadh hope that the checks, valid only in Saudi Arabia, will eliminate the haggling over exchange rates that confuses many illiterate pilgrims.

A generation or so ago, the hajj represented one of Saudi Arabia's principal sources of income. Today, that income is of little consequence to the kingdom, which, through its Ministry of Pilgrimage, provides housing and transportation plus sanitation and medical facilities for the worshippers.

The Saudis take great pride in the orderly management of the hajj, but in recent years they have had to face the problem of pilgrims staying behind to slip into the labor force.

Terrorism also has become a concern in the aftermath of the bloody takeover of Mecca's Grand Mosque in late 1979, after the hajj, by a group of Moslem extremists. The purifying of the soul at Mecca is said to exalt the pilgrim for the rest of his life.

In the huge courtyard of the Grand Mosque, the pilgrims circle the high stone monument known as the Kaaba and kiss the Black Stone inside, which is believed to have been given to Abraham by the Angel Gabriel.

Those who make the hajj become known as hajjis, a title they carry for life. In Egypt, many farmers paint the outside walls of their houses with pictures depicting their trip to Mecca.

It is not uncommon for a man to add a prefix to his name to indicate that he has made the pilgrimage. President Albert-Bernard Bongo of Gabon, in West Africa, made the pilgrimage in the 1970s and changed his name to El Hajj Omar Bongo.

■ **Israelis Start Pilgrimage**

About 1,000 Israeli Moslems began a pilgrimage to Mecca on Monday, The Associated Press reported from Tel Aviv.

Under an agreement between Jordanian and Israeli officials, the pilgrims will carry temporary Jordanian passports because travelers with Israeli passports are not permitted in any Arab country except Egypt, an Israeli official said.

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A statue of Benigno S. Aquino Jr. was being held Monday at the Manila International Airport by customs officials.

Backers of Aquino Mark Anniversary of Slaying

United Press International

MANILA — Filipinos marched in a candlelight procession Monday on the eve of the first anniversary of Benigno S. Aquino Jr.'s assassination. The armed forces were put on the highest state of alert.

More than 2,000 candle-bearing supporters marched solemnly from the opposition leader's suburban home to Santo Domingo Church, where his funeral was held.

The armed forces chief of staff, General Fabian Ver, ordered security intensified at all military installations, leave canceled for soldiers and all personnel confined to barracks, the state-run Philippines News Agency said.

The police, already on highest alert, set up checkpoints on roads leading into Manila to search vehicles for guns and explosives, according to news reports.

Lieutenant General Fidel Ramos, the national police commander, said that "insurgent and subversive" personalities were planning to sabotage the capital's electrical service on Wednesday, causing a "day of darkness."

Opposition groups have called on Filipinos to turn off all lights for 24 hours beginning at noon Wednesday to honor Mr. Aquino, who was killed upon his return from three years of self-exile in the United States.

Customs officials at Manila International Airport refused to release a life-sized bronze statue of Mr. Aquino unless his relatives paid \$3,969 in import taxes.

The statue, made in Rome by a Filipino sculptor and seized by soldiers and customs officials when it arrived Sunday on a flight from Japan, was intended to accompany marchers on the anniversary.

"If we pay this, we are certainly going to pay it under protest," said Mr. Aquino's brother Agapito.

Military officials had refused demonstrators' permission to hold Tuesday's rally, but the Supreme Court overturned the decision.

Earlier, a Japanese journalist who has said that he believes a soldier killed Mr. Aquino at the airport last Aug. 21, was prevented from entering the country.

Vatican Assails 'Theology of Liberation'

By Juan de Onis
New York Times Service

RIO DE JANEIRO — Conservatives in the Vatican are intensifying their campaign against Roman Catholic clergymen throughout Latin America who have developed a "theology of liberation" supporting revolutionary change.

Currently at the center of the dispute are four dissenting priests in Nicaragua, who oppose their bishops and insist on continuing to participate in the leftist Sandinist government.

Pope John Paul II recently ordered the four, all of whom hold cabinet posts, to quit their jobs or give up the priesthood. One of them, Ernesto Cardenal Martinez, the Sandinist minister of culture, said he and the others would defy the Vatican order.

The line being drawn in Nicaragua extends throughout Latin America, with Vatican conservatives disturbed by what they see as a growing trend among progressive Latin American clergy to cooperate with Marxist revolutionaries.

The Reverend Leonardo Boff, a Franciscan monk in Brazil, is one of the leading exponents of the progressives' theology of liberation. He has been summoned to a hearing on Sept. 7 by Cardinal Joseph Ratzinger, who heads the Vatican's Congregation for the Doctrine of the Faith. Father Boff has been asked to testify about his theological writings, for which he has already been admonished.

The hearing for Father Boff is seen as part of a full-scale Vatican assault, which is expected to include a declaration by the pope before the year's end. Cardinal Agostino Rossi, a conservative Brazilian bishop who administers the Vatican household, said the pope will condemn the theology of liberation for deviating from church doctrine.

"There has to be a pruning," Cardinal Rossi said during a recent visit to Brazil. "We can't accept class war as a concept because it leads to violence, and that is against the Gospel."

The issue has been a topic of controversy in Latin America since the bishops of this region began

debating how to apply decisions made at Vatican Council II in 1962-1965, which called upon the church to modernize its mission in the Third World.

The challenge of developing a church more responsive to the political and social realities of Latin America — a region of great contrasts in wealth and poverty, with dictatorship the prevalent form of government — led to the development of the theology of liberation.

Its central concepts include beliefs that the church has an "option in favor of the poor," and that salvation is achieved not only through faith and the sacraments but also through actions that improve the human condition.

Since John Paul II became head of the church, with his strong anti-communist views and insistence upon strict adherence to church authority, the conservatives have been pushing for a showdown with the progressives.

Father Boff, 46, a persistent critic of the traditional church in Latin America, seems to be a perfect target. He is widely respected in the moderately progressive Brazilian church, which has 300 bishops and

neighborhood groups, mainly in slums and rural areas, were formed to discuss basic social and political problems with religious guidance.

At the same time, the progressive clergy were organizing in groups that were increasingly in conflict with their bishops, who were generally more conservative, and with the papal nuncios, who represent the Vatican abroad.

Before long, many of the highly politicized progressive groups were disciplined and left the church or became isolated minorities. The victory of the Sandinist rebels in Nicaragua, and the emergence there of a decidedly pro-Marxist church, has caused the Vatican to resume its hard-line approach.

Father Boff, 46, a persistent critic of the traditional church in Latin America, seems to be a perfect target. He is widely respected in the moderately progressive Brazilian church, which has 300 bishops and

is the largest national body in the Roman Catholic world. He is a member of the editorial board of Concilium, a major theological magazine that represents the progressive Catholic clergy in Western Europe, the United States, Africa and Latin America.

And he is a prolific writer. His published works include "Church, Charisma and Power," "Faith on the Periphery of the World," "The Religious Life and the Church in the Process of Liberation" and "The Church's Pilgrimage with the Oppressed."

The clergy here are concerned that a Vatican disavowal of Father Boff's writings could generate even greater discord over the theology of liberation and its application in Latin America.

Gilberto Gorgulho, an adviser to Cardinal Paulo Arns, archbishop of São Paulo, said, "Cutting off this form of pastoral reflection would remove the living branch on which Latin American Christianity now stands. A document condemning the theology of liberation would be used by the powerful to legitimize a form of society that excludes the poor, and kills."

3 Months After Panama Elections, Claims of Fraud Gaining Strength

By William R. Long
Los Angeles Times Service

PANAMA CITY — Persistent charges that President-elect Nicolas Ardito Barletta was elected by fraud are clouding U.S. hopes for democratic stability in this strategic country, the site of the Panama Canal.

More than three months after the May 6 election, there is mounting evidence of irregularities.

Mr. Ardito Barletta, 45, is scheduled to take office Oct. 11. He is political heir to General Omar Torrijos, Panama's leader until his death in 1981, and his candidacy was supported by the military.

An advertising executive who worked enthusiastically in the president-elect's campaign now says that he was repelled by what he calls thinly veiled fraud in the elections and vote-counting. "Everyone is disillusioned," he said.

The Reagan administration encouraged Panama to hold elections, as it has other Central American countries. Officials in Washington feel that the development of democracy in the region will help limit popular support for leftist revolution.

Although Panama has no guerrilla problem, U.S. officials are particularly concerned about stability here because of the canal's importance.

Despite the prospect of a Panamanian leader without a recognized electoral mandate, President Ronald Reagan warmly welcomed

Mr. Ardito Barletta when he visited Washington last month.

Eric Arturo Delvalle, who was elected first vice president on Mr. Ardito Barletta's ticket, accompanied the president-elect to Washington. Mr. Delvalle said they were received "with much affection and great sympathy."

Of the fraud reports, Mr. Delvalle said, "I don't think anyone can say that there was fraud in the elections."

Nevertheless, independent foreign analysts who have studied the official returns say the figures show two kinds of irregularities that gave Mr. Ardito Barletta his 1,713-vote margin over his rival, former President Arnulfo Arias Madrid.

Thousands of ballots cast for Mr. Arias, which were challenged by Mr. Ardito Barletta's coalition, were never included in the results even though the challenges were thrown out. If those ballots had

been part of the final tally, Mr. Arias would have won by about 2,600 votes, the foreign analysts calculate.

At about 300 polling places, the number of ballots cast exceeded the number of registered voters, often by as much as 150 percent to 300 percent.

Cesar A. Quintero, the president of the National Electoral Tribunal, said he could not confirm or deny the report of valid but untabulated votes. One of three members of the electoral tribunal and the only one with no government ties, Mr. Quintero said tribunal subordinates "looked for ways to elude [instructions] because there are powers that put pressure on them."

The Christian Democratic Party, which was allied with Mr. Arias in the campaign, is preparing a book about the May elections titled "Thus Was The Fraud." A copy of the unfinished manuscript includes detailed allegations of vote-rigging, such as purging opposition party members from the voter rolls and packing the rolls with unregistered pro-government voters.

Panama has had no popularly elected president since 1968, and the May 6 election was billed as a return to democracy.

But even before the voting, many Panamanians doubted that Mr. Arias, 82, who has twice been deposed by the military and once by his cabinet, would be permitted to take office. Some argued that his election would harm Panama's stability.

Iran Reportedly Sending Thousands Of New Volunteers To Iraqi Front

The Associated Press

TEHRAN — Iran has sent thousands of volunteers to its battlefront with Iraq and is preparing for a new offensive if Iraq does not comply with Iranian demands, according to Tehran newspapers.

"Iran is ready for a military operation as soon as the grace period ends," Mohsen Rafiq-Dust, minister in charge of the Islamic Revolutionary Guards, was quoted as saying in the Sunday edition of the daily newspaper Sobhe-Azadegan. He did not indicate when the deadline would expire.

The English-language Tehran Times said that there had been "massive dispatches" of volunteers to the battlefront in the last several weeks.

"If Iraq and its supporters are ready to give us our rights," Mr. Rafiq-Dust was quoted as saying, "Iran will not insist in carrying on with the war."

Iran has said it is willing to discuss a peace agreement with Iraq

only if President Saddam Hussein were forced out and Iraq agreed to pay compensation for damages caused by the war, which began with the Iraqi invasion of Iran in September 1980.

The reports of troop movements toward the front and the threats of a new Iranian offensive were the first heard in Tehran since June, when there were widespread predictions of an imminent Iranian drive against Iraqi forces. But the attack was never launched.

Delay in mounting an offensive has been widely attributed to political differences in Iran, although Iranian officials have repeatedly denied the reports.

■ **Offensive Against Kurds**

The Iranian authorities have announced a new drive against Kurdish rebels in northwestern Iran that has caused heavy rebel casualties, Reuters reported from Tehran.

Tehran's official press agency, IRNA, quoted the joint headquar-

ters of the Iranian Army and Revolutionary Guards as saying that 14 strategic heights and 14 villages had been "purged" in an operation that began late Friday along the border with Iraq.

■ **3 Ministers Approved**

Iran's Majlis, or parliament, approved on Monday the nomination of three cabinet ministers. Reuters reported, while allowing Prime Minister Mir Hussein Mousavi to assume responsibility for defense and education for two months.

Five ministers were forced to resign last week when, during the debate on a vote of confidence, virtually all Iranian cabinet ministers were strongly criticized for inefficiency, mismanagement and favoritism.

Officials said Sunday that six experts at the ministries of industries and heavy industries had been accused of taking bribes of 30 million rials (about \$340,000) from 14 factories.

typical of the region began

Typhoon Threat Forces U.S. to Evacuate Base

United Press International

HONOLULU — Under threat from the typhoon designated Keli, the top-secret U.S. military base on Johnston Island in the central Pacific was evacuated Monday. It was the second time in 12 years that the facility, where tons of mustard gas and other chemical weapons are stored, has been left unguarded, officials said.

Two C-141 transports carried the 370 evacuees to Honolulu, 715 miles (1,150 kilometers) to the northeast, as the storm, with winds of 115 miles an hour, moved steadily closer to the atoll.

Cost Rises for Defending Needy Suspects in U.S.

Los Angeles Times Service

WASHINGTON — Legal representation of indigent defendants in 3.2 million cases tried in state and local courts in 1982 cost the public \$624.6 million, according to a U.S. Justice Department report.

The study, released Sunday, showed that the figure had risen 44 percent from the \$435-million price tag for 1980.

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LOW COST FLIGHTS

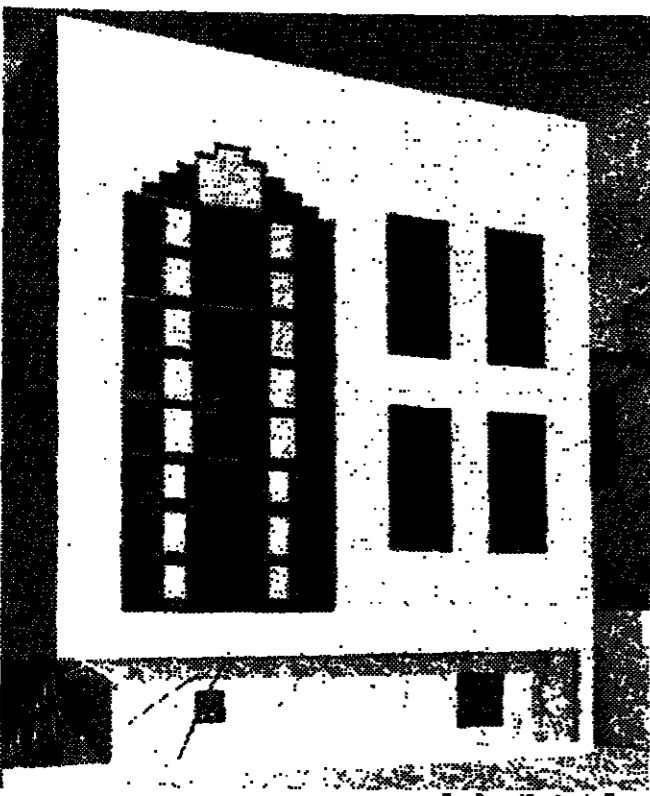
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ARTS / LEISURE

By the Sea: A Blend of Art, Architecture



Facade of the Doumani house.



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By Suzanne Muchnic

LOS ANGELES — A Federal Express man who delivered a package to the home of Carol and Roy Doumani was so boggled by their big white house on the Marina Peninsula that he later drove his wife across town to see it.

Once the Doumanis open the vast window of their living room they can sit on a ledge overlooking a wide stretch of sand that disappears into the sea.

Designed by Robert Graham, a sculptor, and made livable by other artists' functional artwork, the Doumani house is a surprising merger of art and architecture.

The stark, white, rectangular structure has dark, grid-framed windows, long mosaic pools flanking its entrance and brightly metal grillwork running around it.

Inside, space is enclosed by high ceilings but rarely interrupted by walls. Stair-step and grid motifs articulate borders, while windows frame a changing parade of seascapes and beach scenes. The first-floor interior is punctuated by Graham's bronze figures perched high on pedestals. Rooms on both levels are enriched by other artists' functional creations.

It shouldn't work, everyone knows that artists are not architects and that if you set them to laboring on the same project, it will be destroyed by colliding egos.

Not at the Doumanis' house. Their habitat is a compatible collection: architecture and figurative sculpture by Graham; inlaid-wooden kitchen and dining room cabinets, mosaic pools, engraved-glass balustrade and metal grills by Billy Al Bengston; stained-glass windows and fresco by David Novros; metal-collage door by Tony Berant; trompe l'oeil mural by Terry Schoonhoven; and roof-deck mosaic by Joana Russel-Dart.

You have to look hard to find anything that isn't custom-made, and then it may turn out to be a typewriter, a coffee maker or a faucet. "We don't buy existing things," Carol Doumani said. "Our point is to create something special."

The house, a continuing project that may never be finished, was begun in 1978 when the Doumanis met Graham at an unveiling of one of his sculptures.

"I liked his work very much, so I asked him to do a piece for the house we were planning to build," Roy Doumani said. "He called a couple of days later and said he'd like to have dinner. When we met he said he'd like to carry the project

a step further. I asked if he wanted to be part of the discussions with our architect. He said, 'No, I want to design the house.'"

Initially, the Doumanis were flummoxed by Graham's proposal. "We knew this was going to be our primary residence. Our hearts and souls were going to be in it. It had to work for us," said Carol Doumani. "Bob felt that too much art had become overwhelming and impersonal. He said, 'Let me design a living space for you.' In his mind, we were going back to the Renaissance. He said, 'I'll design to your specifications and your needs and call in other artists to help.'"

"Nothing was easy," Roy Doumani said. The artists were happy to challenge themselves, but electricians and plumbers were less adventurous. "The workmen would say, 'You can't do this.' Now that is the last thing to say to me. It's just not acceptable. Everything was custom-made. Sometimes it took 20 times to get it right."

One of the most appealing aspects of the Doumani house for Graham was that art and architecture were not considered separate entities. "A lot of buildings have art budgets, as if the building weren't art. The Doumani house just had a budget."

The house is a showplace, visited by art groups from museums and schools, and the site of social affairs. It is also a place to be lived in.

"We don't make a pretense of having it be a roach-off thing," Carol Doumani said. "When you're living with functional art, things will be damaged. That's O.K."



Carol and Roy Doumani: "Nothing was easy."

Rossini's Reconstructed 'Viaggio' Staged in Pesaro

By William Weaver

International Herald Tribune

PESARO, Italy — In June of 1825, some months after Rossini had settled in Paris, he wrote a "stage cantata" entitled "Il Viaggio a Reims," to celebrate the coronation of Charles X.

After only a handful of performances the composer withdrew the work, and later he used some of the music for his "Le Comte Ory." There were a couple of pirated performances of pastiche versions of

the cantata, but then the score was believed lost.

In recent years, it has surfaced — in fragments — in French and Italian archives. The American scholar Janet Johnson, with the guidance of the Rossini expert Philip Gossett, has prepared a critical edition of the score. And Saturday night before a television audience — "Il Viaggio a Reims" was heard once more. The performance, conducted by Claudio Abbado in the Teatro Comunale of the city of Pesaro, the composer's birthplace, presents annually in collaboration with the Rossini Foundation.

Rossini's "Viaggio" is a complex, brilliantly worked composition, consisting of nine numbers that are so elaborately developed, so rich and varied, that they fill an evening, following one

another in a succession of moods, inventions, surprises.

Although the scheme is comic — the plot involves an international group of travelers trapped in an inn at Ploembris — the tone is more often romantic, poetic, inspired. Unfortunately, the director, Luca Ronconi, and the designer, Gae Aulenti, took it as a joke, or rather as a bag of tricks.

The stage was dominated by eight bathtubs (Ploembris is a spa, you see); TV crews, real and fake, wandered around freely. There was a great deal of playing with flags, and the finale of the opera, meant to be a grand apotheosis, ended with a TV camera occupying the center of the scene. That sums up the vulgarity of the production.

Musically, things went better. The Chamber Orchestra of Europe, mainly English, played well; its flutist was a star. Abbado created lovely textures but often drove the musicians unfeeling and almost

always encouraged them to play too loudly.

Some of the illustrious singers who made up the cast — notably Katia Ricciarelli and Lucia Valentini Terrani — were not in top form, and the strains were evident. Others, including Lella Cubelli and Cecilia Gasdia, sang well, but their singing was not enhanced by the staging or by the conductor. Among them, Edoardo Gimezez displayed proper Gallic charm; Samuel Ramey and Ruggero Raimondi delivered their big arias with gusto. Everyone — Ronconi, Aulenti and Abbado included — was awarded resounding ovations.

But the most important thing remains the piece itself. "Il Viaggio" was Rossini's last opera on an Italian text and his first stage work written in France. It is the missing link between "Semiramide" and "The Siege of Corinth," and — though different from both — it is as exciting as either.

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At 3 P.M.: Trading Is Slow

United Press International

NEW YORK — Prices on the New York Stock Exchange were drifting at a slower pace Monday afternoon in one of the slowest sessions of the year as institutional investors retreated to the sidelines.

The Dow Jones industrial average, which gained 2.76 points Friday, was down 1.88 to 1,210.02 shortly before 3 p.m. EDT. The Dow, which lost 6.19 overall last week, was operating at a 1.66 handicap since International Paper, Minnesota Mining & Manufacturing and United Technologies were trading minus their dividends.

While prices in tables on these pages are from the 4 p.m. close in New York, for reasons of time this news account is based on information gathered earlier in the day.

Declines led advances 807-637 among the 1,899 issues crossing the New York Stock Exchange tape.

The five-hour turnover amounted to about \$6.6 million shares compared with \$6.5 million in the corresponding period Friday.

Analysts said many big investors are waiting for a sign short-term interest rates are going to fall. But federal funds rates, which banks charge one another for overnight loans, were trading at a high 11 1/2 percent.

The bond market was firm. It has rebounded lately from its dreadful slump earlier this year and some analysts said a continued improvement will soon produce lower short-term interest rates.

Also boding well for the interest-rate picture is a slowing down of the economy. Reports last week showed retail sales, housing starts and building permits were down a bit in July.

The government early Monday said revised figures showed the gross national product rose 7.6 percent in the second quarter instead of the 7.5 percent previously posted. Corporate profits after taxes increased only 1.5 percent.

The Federal Reserve's Open Market Committee meets Tuesday and many observers, including Solomon Brothers' Henry Kaufman, don't think the members will make any changes in policy.

"It looks like big investors are waiting for prices to drop so they can begin buying again," said Dudley Eppel of Donaldson, Lufkin & Jenrette, "but the market is not accommodating them. Thus, we could wait a couple of more days."

George Fittone of Dreyfus Corp. agreed with Mr. Eppel. "I don't see this market falling out of bed at all. I still think the upside has the strong hand and it will be a matter of a few days before things begin to move again."

American Express was one of the most active NYSE-listed issues and followed following a block of 7,000,000 shares at 31 1/4 — the second-largest share block on record. The block was sold by Financial Corp. of America, which holds a 4.9-percent stake in Amexco.

Financial Corp. of America, which plunged 4 1/2 last week, was active and higher most of the day. Published reports said chief Charles W. Knapp might be ousted if a government guarantee is needed to bail out the company's ailing thrift unit.

12 Month High Low Stock Div. Yld. PE Ratio High Low Close Chg.

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Statistics Index

AMEX prices P.10
NYSE prices P.11
Commodity prices P.12
Currency rates P.13
Interest rates P.14
OTC stocks P.15
Futures reports P.16
Other markets P.17

TUESDAY, AUGUST 21, 1984

FUTURES AND OPTIONS

Erosion of Futures Prices
Answers Managers' Prayers

By H.J. MAIDENBERG
New York Times Service

NEW YORK — The steady erosion of futures prices in recent months has been a welcome bonanza for most investors and managers of commodity funds, for it provided them with what all futures traders pray for — a long and defined trend.

As measured by the Commodity Research Bureau index of futures prices, which was a base of 100, the index peaked this year at 284.2 on May 21, and then steadily sank to a low of 249.4 on July 31. Last Friday, the index closed at 257.5.

For months before futures prices began their decline, most funds and individual investors had seen their capital eroded by brokerage commissions as they tried to get on the right side of markets that were basically trendless. Indeed, in July, when the decline in futures prices accelerated, the commodity fund and managed accounts operators enjoyed their best month ever.

Jay Klopstein, president of Norwood Securities, a Chicago brokerage house that does not trade futures but keeps track of them as part of its research, said:

Gains were produced by "trend followers who were short just about everything."

"Collectively, the 63 public commodity futures funds we monitor increased their assets by a record 16.1 percent in July, compared with a decline of 9.3 percent in June. Comparisons with 1983 are not valid because there were fewer funds operating then. But the gains raised the assets of the 63 funds this year by 14.3 percent, as of July 31."

Mr. Klopstein said the trading gains were produced by "trend followers who were short just about everything, starting in June." He noted that the largest profits were made from short positions in foreign currency futures. "The currency futures chart followers ignored all talk about the dollar's imminent weakness and kept selling the foreign currency futures," he added.

But to Ian G. Somerville, president of Johnson Matthey Asset Management, a subsidiary of the giant London-based commodity trading organization, neither the record 16.1-percent gain for the funds in July nor the 14.3 percent for the year to July 31 was impressive.

"We don't operate futures funds, but the assets of our managed accounts grew by 67 percent in the first seven months, despite the horrible trendless markets we had before June," Mr. Somerville said. "That was good, considering that our accounts were down 5 percent for the year as of June 30."

THE main reason why Johnson Matthey does not offer participation in public funds is that it believes they are difficult to manage. As the marketing manager, Bruce Nelson Terry, explained:

"Public funds range in size from \$5 million to \$30 million, which makes them awkward trading vehicles in markets that are still for the most part small affairs. By small, I mean that even in the most active markets it is difficult to move several thousand commodity contracts at once without making waves."

Aside from "trying to push an elephant into a phone booth," Mr. Terry said, the biggest loss experienced by both funds and managed account operators is the brokerage commissions. "When markets are trendless, it often pays to just stand aside and invest the customer's money in Treasury bills or some other liquid money instrument," he said.

Burt Kozloff, vice president-marketing at Johnson Matthey & Wallace, another subsidiary of the company, offered another view of managed accounts:

"We look upon a managed futures account as a form of insurance for people who have most of their capital in stocks and bonds. In such cases, prudence dictates that roughly 10 percent of any portfolio should be in futures. Because most managed accounts and funds are liquidated when their assets fall below 50 percent of the original investment, the maximum loss on this insurance policy is about 5 percent."

To make such insurance worthwhile, Mr. Terry said, a minimum of \$50,000 should be placed in a managed account because most such accounts usually keep about half their assets in

(Continued on Page 9, Col. 1)

Treasury
Sets Rules
For Bonds

Foreigners to Get
U.S. Anonymity

Reuters

WASHINGTON — The U.S. Treasury Department on Monday outlined rules governing its plans to issue new securities to attract foreign capital and help reduce the government's borrowing costs. The rules contained a registration plan allowing foreign purchasers to buy some securities anonymously.

The documents, to be published early next week, provide technical guidance on legal points related to the new securities. The offerings were announced last Thursday by Treasury Secretary Donald T. Regan.

The Treasury said Monday that \$1 billion to \$2 billion of the four-year note auction scheduled for late next month would be made available to overseas purchasers in a special registered form.

The special registration will allow foreigners to buy certain U.S. securities without disclosing their names to the U.S. government.

Under the Treasury regulations, banks and other institutions must certify that any buyer of the new securities is not a U.S. citizen or resident.

The regulations, prepared by the Internal Revenue Service, also include a request for comments on whether securities backed by the Treasury should be allowed to be sold in bearer form. Comments will be accepted for 30 days.

Last Thursday, Mr. Regan said at a press conference that investment firms that had already repackaged Treasury instruments to resell overseas in bearer form will not be stopped from doing so. A bearer bond gives the purchaser anonymity.

Earlier this month Salomon Brothers & Co. led a group of firms in repackaging about \$1.7 billion in Treasury bonds and sold some of them in bearer form to foreign buyers.

Mr. Regan's comments laid to rest fears that possible future restrictions would be made retroactive and effectively derail the Salomon arrangement.

The Treasury regulations also outlined the steps foreigners must follow to be exempted from the 30-percent withholding tax on income they make on U.S. corporate and government holdings.

The Tax Reform Act, adopted earlier this summer, repealed the withholding tax.

China to Build Bank in Hong Kong

I.M. Pei Designing Tower,
To Be Territory's Tallest

By David R. Schwesberg
United Press International

HONG KONG — China has announced plans for a 70-story bank tower in Hong Kong, to be designed by I.M. Pei, the American architect. It will be the territory's tallest building and a symbol of the modernization of China, which will take control of Hong Kong in 1997.

The futuristic, angular skyscraper will be the new headquarters for the Bank of China, Beijing's state bank. It will be located in the Central business district.

Chinese officials put the budget for the tower at \$125 million, about the same price Beijing paid for the site itself. Some Hong Kong builders said the estimated construction cost appeared to be surprisingly low for the design.

Mr. Pei, at a news conference Saturday with the officials, said builders would begin pouring the foundation and granite base next February. The tower is to be completed by the spring of 1988, he said.

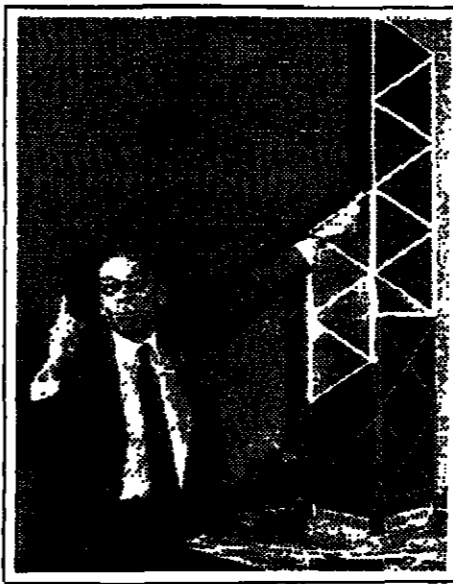
China is planning to take over Hong Kong in 1997, after about 150 years of British rule. The building will house the financial center of its operations.

"The bank gave us no preconditions for design," said Mr. Pei, a Chinese-American who is one of the world's most prominent architects.

"But the architect cannot be totally oblivious to the fact that this building is for an important Chinese institution and should express the philosophy of the country," he said.

Mr. Pei said he had sought to reflect China's modernization drive in the futuristic design of the tower.

He said the design's most noticeable features, the gleaming metallic braces, were being used for the first time on such a large scale.



I.M. Pei with a model of the proposed headquarters for the Bank of China.

The diagonal braces over the tower's glass exterior are designed to keep the structure safe from typhoon winds.

Another innovation is an open, 15-story atrium that will rise to a skylit garden, Mr. Pei said. "It will have spectacular space," he said. "And it will have the best view in Hong Kong."

The bank will supplant the 66-story Hopewell Center as Hong Kong's tallest building. It will dwarf the nearby 41-story headquarters of Hong Kong & Shanghai Banking Corp., which was designed by a leading British architect, Norman Foster.

U.S. Economy
Grew by 7.6%
In 2d Quarter

By Jane Scaberry
Washington Post Service

WASHINGTON — The U.S. economy grew at an annual rate of 7.6 percent in the second quarter, with an inflation rate of 3.2 percent, the Commerce Department reported Monday. The report indicated that the economic recovery may be the strongest since the Korean War.

The increase in second-quarter gross national product, adjusted for inflation, was revised upward from the preliminary estimate of 7.5 percent. Growth in the first quarter was 10.1 percent, the Commerce Department said.

GNP is the total value of a nation's output of goods and services. The revision reflected personal consumer expenditures that were higher than had been estimated, increased business investment and an improvement in net exports.

Residential investment, reflecting a slowdown in the housing industry, was revised downward, as was inventory investment by businesses.

Earlier this month, the Reagan administration revised upward its forecast for economic growth this year, to 7.2 percent from 5.9 percent.

That revision was based largely on first-half growth that exceeded expectations.

The administration did not change its forecast for the second half of the year, and some private economists now say that the final two quarters also may show more rapid growth than expected.

"Consumer spending and business investment are feeding on each other, pushing economic growth in the second quarter," said Jerry Jasnowski, chief economist for the National Association of Manufacturers. The third quarter, he said, may still show 6-percent growth because inventories are below normal levels.

Mr. Jasnowski said the only weakness in the economy is "in international trade, which continues to be a disaster."

The increase in the second-quarter gross national product reflected an 11-percent gain in final sales, compared with a 3.6-percent increase in the first quarter.

However, business inventory investment declined. That area had helped fuel the sharp advance during the first quarter.

The Commerce Department also reported that corporate after-tax profits rose 1.5 percent during the second quarter, after rising 6.8 percent in the first quarter. Profits declined 1.1 percent in the fourth quarter of last year.

Yamani Sees Sharp Upturn in Fall Oil Demand

Reuters

NICOSIA — The Saudi Arabian oil minister, Sheikh Ahmed Zaki Yamani, has predicted a sharp upturn in international demand for oil by the end of September, the Middle East Economic Survey reported Monday.

In an interview with the weekly oil journal, which is published in Cyprus, Sheikh Yamani also said the Organization of Petroleum Exporting Countries may consider an increase in production this autumn.

"We expect that the last quarter of this year will witness an increase in oil consumption and demand which will raise OPEC's share of the crude oil market to 19 million barrels per day or more," Sheikh Yamani said.

He said an extraordinary OPEC meeting would be advisable in the second half of October if it seemed likely that fourth-quarter demand for OPEC crude would rise to 19 million barrels a day or more.

"In that case, we should meet to raise our ceiling and individual quotas temporarily for that quarter," the Middle East Economic Survey quoted him as saying. "That

would be better than having the member countries increase production illegally, so to speak."

Sheikh Yamani estimated that total OPEC crude production averaged 17.8 million to 17.9 million barrels a day in July, and he expects that this month, it will fall below 17.5 million, the organization's ceiling.

Sheikh Yamani's statements contrasted sharply with those made last week by other OPEC oil ministers, who said they were prepared to reduce production quotas to prevent a decline in oil prices.

Sheikh Yamani told the oil review that he was sure that OPEC's benchmark price of \$29 a barrel for Saudi light crude could be maintained.

He attributed the improvement in the market outlook to falling production in Saudi Arabia and Iran.

He said Saudi crude oil production had averaged 4.2 million barrels a day in July, and is expected to fall to "about 4 million barrels per day if not a little bit less" in August.

Iran's oil output is believed to have fallen to less than 2 million barrels a day in August, compared with 2.5 million barrels a day in June and July, the newsletter said.

North Sea output is also likely to decline, as fields are shut down for maintenance work in August and September. British fuel oil demand is still 300,000 barrels a day higher than normal because of the coal miners' strike, the journal said.

"We expect that the last quarter of this year will witness an increase in oil consumption and demand which will raise OPEC's share of the market to 19 million barrels a day or more," Sheikh Yamani said.

"Therefore, with a certain degree of restraint on the part of both OPEC and non-OPEC producers, we will definitely be able to support the present level of prices and avoid any unnecessary deterioration," he was quoted as saying.

In New York, analysts agreed that an overestimation in July output had led to a firming in spot crude prices. But opinions in the market remained divided.

"The trade's perception, which changed over the last week, or so has crystallized this week," said Richard Baskin, an oil analyst with Dean Witter Reynolds. He agreed with Sheikh Yamani's July OPEC production estimate of about 17.9 million barrels a day.

Mr. Baskin said firm prices were likely over the short term, although there were several factors that could "take the steam out of this firming trend."

Mr. Baskin also said that output had been reduced in August by the decline in Iranian production, and said that if the current levels were maintained, the pressure of fourth-quarter demand should help to keep the market firm.

Philip Verleger Jr., an analyst with Drexel Burnham Lambert, agreed. "The market can be stabilized at current price levels for the next few months. However, longer-term prospects continue to be very bearish for oil," he said.

Crude oil traders said that ample supplies for the end of August and for September were still weakening spot quotes.

Finns May Run
Moscow Hotel

Reuters

HELSINKI — Finland's state airline, Finnair, has made an agreement with the Soviet Intourist organization to take over the management of Moscow's Metropol Hotel, according to a forthcoming issue of Finnish Business Report.

The move follows a link-up between the Metropol and the Intercontinental hotel chain, the magazine said. Finnair owns the Helsinki Intercontinental.

A Finnair spokesman said the Metropol would be refurbished to first-class standards over the next three years. He said a lack of suitable accommodation for foreign air travelers in Moscow had long been a problem for the airline.

CURRENCY RATES

Rate interbank rates on Aug. 20, excluding fees.
Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 2 P.M. EDT.

| | \$ | £ | D.M. | FF. | Y. | S.F. | Y. |
|-----------|---------|---------|---------|--------|---------|---------|----------------|
| Amsterdam | 2.295 | 4.27 | 11.231 | 6.72 | 0.1904 | 5.884 | 134.98/134.97 |
| Brussels | 57.98 | 76.2125 | 20.152 | 4.53 | 3.2515 | 17.859 | 24.1175/23.977 |
| Frankfurt | 2.4705 | 3.791 | 10.35 | 32.58 | 1.615 | 8.59 | 17.71/17.71 |
| London | 1.2195 | — | — | — | — | — | — |
| Milan | 1.7755 | 2.3430 | 618.63 | 201.55 | — | 548.58 | 318.05/318.05 |
| New York | — | 1.3183 | 2.4743 | 8.2675 | 1.9850 | 2.544 | 24.015/24.015 |
| Paris | 6.412 | 11.48 | 386.97 | 4.9617 | 72.12 | 15.8305 | 347.40/347.40 |
| Tokyo | 248.575 | 319.25 | 84.59 | 27.49 | 13.64 | 74.82 | 417.45/417.45 |
| Zurich | 2.3958 | 3.1434 | 10.455 | 27.185 | 1.3149 | 74.085 | 4.1387 |
| 1 ECU | 0.776 | 0.9114 | 2.2382 | 8.271 | 1.38523 | 2.2557 | 1.8711/1.8826 |
| 1 SDR | 1.0478 | 0.77198 | 2.94471 | 8.7891 | 1.5910 | 3.3003 | 9.9535/24.628 |

4 Shortfall; 1.2267 Irish £.
(a) Commercial bank (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar
Units of 100 (= 1 Unit of 1,000 U.S. Dollars) of 10,000
N.D. not quoted; N.A. not available.

INTEREST RATES

Eurocurrency Deposits Aug. 20

| | Dollar | DM | Swiss | French | ECU | SDR |
|----|-----------------|---------------|---------------|-----------------|-----------------|---------------|
| 1M | 11 1/4 - 11 3/4 | 5 1/4 - 5 3/4 | 4 1/4 - 4 3/4 | 10 1/4 - 10 3/4 | 11 1/4 - 11 3/4 | 9 1/4 - 9 3/4 |
| 3M | 11 1/4 - 11 3/4 | 5 1/4 - 5 3/4 | 4 1/4 - 4 3/4 | 10 1/4 - 10 3/4 | 11 1/4 - 11 3/4 | 9 1/4 - 9 3/4 |
| 6M | 11 1/4 - 11 3/4 | 5 1/4 - 5 3/4 | 4 1/4 - 4 3/4 | 10 1/4 - 10 3/4 | 11 1/4 - 11 3/4 | 9 1/4 - 9 3/4 |
| 1Y | 11 1/4 - 11 3/4 | 5 1/4 - 5 3/4 | 4 1/4 - 4 3/4 | 10 1/4 - 10 3/4 | 11 1/4 - 11 3/4 | 9 1/4 - 9 3/4 |

Rates applicable to interbank deposits at \$1 million minimum (or equivalent).

Asian Dollar Rates

Aug. 20

| | 1 m. | 3 m. | 6 m. | 12 m. |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 |

Key Money Rates

| | United States | Britain | France | Germany |
|--------------------------|---------------|---------|--------|---------|
| Discount Rate | 5 1/2 | 11 1/2 | 10 1/2 | 10 1/2 |
| Federal Funds | 11 1/2 | 11 1/2 | 10 1/2 | 10 1/2 |
| Prime Rate | 12 1/2 | 12 1/2 | 12 1/2 | 12 1/2 |
| Broker's Loan Rate | 12 1/2 | 12 1/2 | 12 1/2 | 12 1/2 |
| Comm. Paper, 30-120 days | 11 1/2 | 11 1/2 | 11 1/2 | 11 1/2 |
| 3-month Treasury Bills | 10 1/2 | 10 1/2 | 10 1/2 | 10 1/2 |
| 6-month Treasury Bills | 10 1/2 | 10 1/2 | 10 1/2 | 10 1/2 |
| CD's 20-90 days | 10 1/2 | 10 1/2 | 10 1/2 | 10 1/2 |
| CD's 60-90 days | 10 1/2 | 10 1/2 | 10 1/2 | 10 1/2 |

West Germany

| | 1 m. | 3 m. | 6 m. | 12 m. |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 | 11 1/4 - 11 3/4 |

Source: Commercial Bank of Tokyo, London Bank.

GOLD PRICES

| | A.M. | P.M. | Close |
|---------|--------|--------|--------|
| 1984.00 | 338.75 | 338.75 | 338.75 |
| 1983.00 | 338.75 | 338.75 | 338.75 |
| 1982.00 | 338.75 | 338.75 | 338.75 |
| 1981.00 | 338.75 | 338.75 | 338.75 |
| 1980.00 | 338.75 | 338.75 | 338.75 |

Official Rates for London, Paris and Luxembourg, including and clearing prices for Hong Kong and Zurich, New York, Caracas, Caracas, Caracas. All prices in U.S. per ounce.

EC Accepts
Tariff Freeze
Until Talks,
Saudi Says

Reuters

RIVADH — The European Community has agreed not to impose further tariffs on Saudi Arabian products until talks on the issue with Gulf states, the Saudi minister of industry, Abdul Aziz al-Zamil, was quoted Monday as saying.

In June, the community imposed a 13.5-percent tariff on Saudi methanol shipments at the request of the Netherlands, on the grounds that Saudi Arabia had exhausted its quota.

In an interview with the Saudi daily Ashraq al-Awsat, Mr. al-Zamil said the move was unjustified.

"The quota as it stands does not satisfy even one shipment of our products," he said. "Our quota ought to be increased and fixed on the basis of state-to-state relationships."

He said the community had agreed to impose no new unilateral tariffs on Saudi products until the start of talks this autumn with the Gulf Cooperation Council, which groups Saudi Arabia with Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates.

EC Investment Grows

Private investment in the European Community's manufacturing industry will rise by 7.2 percent over 1983, according to official projections published Monday by the community's statistical service, Reuters reported from Luxembourg. In 1983 investment fell 2 percent.

Investment in Denmark is expected to rise 60 percent, in the Netherlands 29 percent, in France, Britain and Belgium about 10 percent, with somewhat lower rates expected for West Germany, Greece and Ireland. Investment levels in Italy are expected to remain unchanged.

Utilization of industrial capacity in the community is also expected to continue its steady recovery, touching 80.3 percent in the second quarter of 1984 from a low point of 76.5 percent a year earlier.

Samurai Bonds Seen Exceeding Trillion Yen in '84

Bankers Say Low Interest Rates, Slackening of Japanese Rules Are Cause of Market Growth

By John Burgess
Washington Post Service

TOKYO — Japanese officials predict that issues in Tokyo's so-called Samurai bond market, where foreign borrowers raise yen from domestic investors, will exceed one trillion yen (\$4 billion) this year for the first time.

Yen bonds now pay about 5 percent points less interest than dollar bonds in New York, and these rates, plus the Japanese government's gradual lowering of bureaucratic barriers to the country's vast pools of capital, appear to be the cause, bankers say.

One trillion yen would mark more than a 50-percent rise over 1983. Among the issuers so far this year are the Australian government and European Investment Bank.

The World Bank is expected to return to the market soon.

This activity comes as the bond business in general is doing well in Japan.

"The whole market has been turning up, quite bullish," Peter Skorpil, treasurer of the Tokyo branch of Citibank, said. Yen bank loans to foreign borrowers are also surging.

However, exchange risks and lingering difficulty in obtaining Japanese government approval to borrow appear certain to forestall any chaotic rush of credit-hungry foreign companies to Tokyo.

Japan has long been under U.S. pressure to give outsiders more access to its capital markets, where a high rate of savings and relatively low demand from Japanese industry are helping to keep interest rates well below those prevailing abroad.

Recently, U.S. officials have contended that more yen-denominated bonds and loans would help make the yen an international medium of exchange, taking pressure off the U.S. dollar. This pressure has strengthened the dollar, they say, making U.S. exports less competitive in world markets.

The Japanese began lowering their foreign barriers and deregulating the domestic industry years ago. The move was due both to foreign pressure and a consensus among bankers in Tokyo's financial district that their institutions had outgrown the old system.

However, the government moved slowly, wary of tampering with a system whose low interest rates have been credited with much of Japan's industrial success. To foreign bankers doing business in Tokyo, the changes seemed painfully slow and often self-serving. But older Japanese bankers who remember when government dictated the fate of every dollar entering the country see the process as close to revolutionary.

"I have worked in the Japanese banking system for 30 years," Masao Mitani, resident manager of the Tokyo branch of Credit Lyonnais, said. "The past

BUSINESS ROUNDUP

Disney Ends Gibson Greetings Offer, Says Move Aims to Quell Dissension

By Thomas C. Hayes
New York Times Service
LOS ANGELES — Walt Disney Productions, which reversed itself Friday and canceled a \$300-million plan to buy Gibson Greetings Inc., said over the weekend that it made the move to try to quell dissension on its board and to erase the prospect of a shareholder fight.

Nixdorf Sales Rose 20% in First Half

By Warren Getler
International Herald Tribune
PADERBORN, West Germany — Nixdorf, the West German data processing company, reported Monday a 20-percent increase in world sales for the first half of 1984 to 1.26 billion Deutsche marks (\$433.57 million) from 1.05 billion DM a year earlier.

ings caused the cancellation of a court challenge set for Monday by a group led by Irwin L. Jacobs, which had acquired 6.9 percent of Disney and opposed the bid for Gibson.

On Friday, Mr. Jacobs told Raymond L. Watson, Disney's chairman, that he was "very pleased" by the Gibson Greetings decision. But Mr. Jacobs is not expected to be a passive investor.

Moreover, Disney's management, which paid \$225 million in June to end a takeover threat by Saul P. Steinberg, is more likely now to be perceived as either weak or handcuffed by a split among its directors.

"Once again, it looks like they are carving in to blackmail," said Lee S. Isgur, an analyst with Paine Webber Inc. "This company is going to continue to be very, very vulnerable to threats from the outside."

He added: "I cannot believe that Jacobs is going to sit there quietly, not saying or doing anything for the next year or so as Disney goes about its business."

Mr. Jacobs was quoted in a published report on Saturday as saying that he was "leaving all my options open now."

BP Has No Hope Of Finding Big China Sea Field

Reuters
LONDON — British Petroleum Co. has given up hope of finding a major oilfield in the South China Sea, but will continue its drilling program, according to the BP deputy chairman, Roger Bacon.

Mr. Bacon, in an interview published Monday by the Financial Times, said BP would henceforth devote its attention to secondary targets. The company has drilled five wells on what appeared to be prime prospects, but no marketable-sized concentrations have been found since drilling started last December.

Canadian Pay-TV Market Given to 2 Monopolies

By Fred Langan
International Herald Tribune
TORONTO — Canada's loss-ridden pay-television networks have been allowed to carve the national market in two in an effort to stop total losses estimated at 2 million Canadian dollars (\$1.54 million) a month. Two big operators will get monopolies, one in eastern Canada, the other in the west.

Under a plan announced late last week, First Choice Canadian Communications will have exclusive rights to broadcast in Ontario, Quebec and the Atlantic provinces. Allarcom — also known as Superchannel — will have exclusive broadcasting rights in Manitoba, Saskatchewan, Alberta and British Columbia. The monopoly service will start Sept. 1.

branch of the federal government, but was hotly contested by another. The ruling was handed down by Canada's nationalistic cultural monitor, the Canadian Radio-Television and Telecommunications Commission — which regulates everything from television licenses and phone rates to the content of pay television. The commission wants Canadian content and lots of it, at least 30 percent of broadcast time. It also forces pay-television channels to spend 45 percent of their revenue on buying the use of Canadian films.

First Choice and Allarcom said that they could live with the Canadian-content regulations — at one time they were even higher, 50 percent — but only if they could carve the country in two. Their argument was that the Canadian market was too small a place for more than two companies to compete in.

Nippon Kokan, Martin Marietta Set Venture

By Mark Potts
Washington Post Service
WASHINGTON — Martin Marietta Corp. is selling a 40-percent interest in its Torrance, California, aluminum-casting plant to Japan's Nippon Kokan K.K., one of the world's largest steelmakers, for \$45 million.

The Torrance plant, which employs 1,570, produces about 8 percent of the finished aluminum made by Martin Marietta's aluminum division. It makes aluminum and titanium extrusions and aluminum forgings for aircraft, automotive and other uses.

Under the agreement signed by Marietta and Nippon Kokan, the two companies will set up a new corporation, 60-percent owned by Marietta and 40-percent held by the Japanese company, to own the Torrance plant. The technology and metalworking know-how will be provided by Nippon Kokan.

Products from the plant will be sold in Marietta's traditional U.S. markets for aluminum, but the companies hope to expand the factory's distribution network to European and Asian customers.

Remy Martin To Buy Nicolas

Reuters
PARIS — E. Remy Martin & Co., one of France's leading cognac makers, has announced that it will acquire a majority share in the holding company that controls Nicolas, a wine and spirits group.

Atlas Copco Sees Big '84 Profit Rise

By Juris Kaza
International Herald Tribune
STOCKHOLM — Atlas Copco AB, the Swedish maker of mining equipment, air compressors and tools, said Monday that its 1984 pretax earnings would almost double, to about 500 million kronor, from 253 million in 1983.

Mr. Wachmeister said that new technologies offered by the Airpower and MCT divisions were selling well.

In Airpower, he said, "there was a striking increase in sales of oil freeze screw compressors."

COMPANY NOTES

Allianz Versicherungs AG denied reports on the Frankfurt Bourse that it planned a reorganization that would require a revaluation of its stock price. The stock market reports had said that Allianz may be planning a stock split.

Household International Inc.'s plan to issue "poison-pill" warrants as a means of thwarting any takeover attempt has been challenged by one of the company's directors, John A. Moran, Mr. Moran, in a suit filed in a Delaware court, asked to void the warrants, which permit the issuer to increase the number of company shares so as to make a takeover too expensive to be feasible.

Gold Options (prices in \$/oz.)

| Month | Aug | Sept | Oct | Nov | Dec |
|-------|--------|--------|--------|--------|--------|
| 300 | 325.75 | 326.00 | 326.25 | 326.50 | 326.75 |
| 200 | 326.00 | 326.25 | 326.50 | 326.75 | 327.00 |
| 100 | 326.25 | 326.50 | 326.75 | 327.00 | 327.25 |
| 50 | 326.50 | 326.75 | 327.00 | 327.25 | 327.50 |
| 25 | 326.75 | 327.00 | 327.25 | 327.50 | 327.75 |

Gold 300.00 301.00

Devoe-Holbein International N.V.

Bid \$7 1/4 Ask \$8 1/4

Prices in U.S. dollars

Quote as of August 20, 1984

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94-87 BIE AUGUST 20, 1984

TOWER SECURITIES B.V.

HERENGROTE 495

1017 BT AMSTERDAM

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TELEX: 15284 (TOWER NL)

Price Erosion In Futures

(Continued from Page 7)
Treasury bills and other liquid short-term instruments as a precaution. But his company accepts as little as \$15,000, provided the investor is a member of a pool of no more than 35 investors.

U.K.'s GDP Fell 0.4% in 2d Quarter

Reuters
LONDON — Britain's gross domestic product on the basis of output fell 0.4 percent, seasonally adjusted, in the second quarter from the previous quarter, according to preliminary figures released Monday by the Central Statistical Office.

The statistical office estimated that the coal miners' dispute reduced GDP by about 0.5 percent in the first quarter and about 1.25 percent in the second quarter. Most of the reduction was attributable to loss of coal output.

The miners started their strike in the middle of March, but before that they had been refusing to work overtime.

All of these securities having been sold, this announcement appears as a matter of record only.

New Issue / August, 1984

\$100,000,000

Republic of Finland

13 1/4% Bonds Due 1994

The Bonds are unconditional, direct and general obligations of Finland for the payment and performance of which the full faith and credit of Finland is pledged.

Salomon Brothers Inc

The First Boston Corporation

Goldman, Sachs & Co.

Merrill Lynch Capital Markets

Bank of Helsinki Ltd.

Kansallis-Osake-Pankki

Postipankki

Union Bank of Finland Ltd.

Lehman Brothers **Morgan Stanley & Co.** **Smith Barney, Harris Upham & Co.**

ABD Securities Corporation **Atlantic Capital** **Bear, Stearns & Co.**

Becker Paribas **Dillon, Read & Co. Inc.** **Donaldson, Lufkin & Jenrette**

Drexel Burnham Lambert **E. F. Hutton & Company Inc.** **Kidder, Peabody & Co.**

Lazard Frères & Co. **PaineWebber** **Prudential-Bache**

L. F. Rothschild, Unterberg, Towbin **Swiss Bank Corporation International**

UBS Securities Inc. **Wertheim & Co., Inc.**

Dean Witter Reynolds Inc. **Yamaichi International (America), Inc.**

Citicorp Capital Markets Group **Daiwa Securities America Inc.**

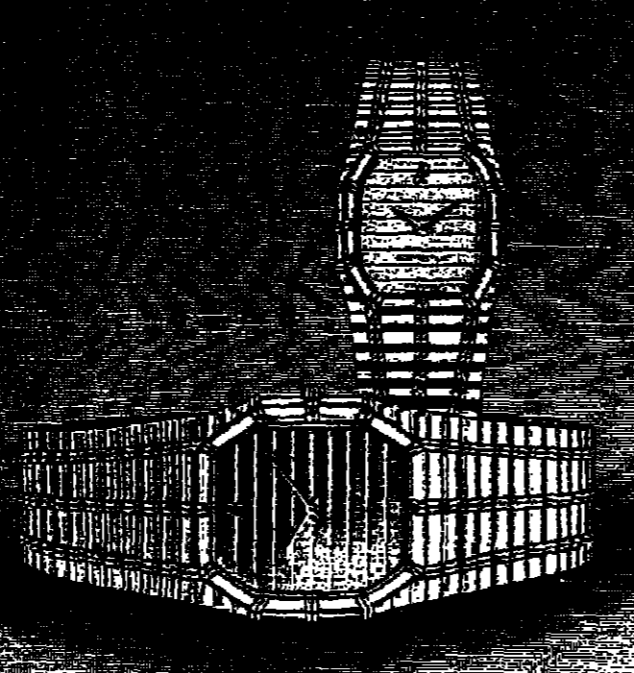
EuroPartners Securities Corporation **Robert Fleming** **Hambros Bank**

Kleinwort, Benson **The Nikko Securities Co.** **Nomura Securities International, Inc.**

Orion Royal Bank **Sogen Securities Corporation**

OKOBANK Osuuspankki Keskuspankki Oy **Skopbank**

The "Bamboo"



Andreas Pignat

Il più prestigioso dei segretari

Japanese Surplus In Trade Narrows

Reuters
TOKYO — Japan's customs-cleared trade surplus narrowed sharply to \$372 million in the first 10 days of August, compared with a \$1.02-billion surplus in the equivalent July period. Japan recorded a \$356-million surplus for the period a year earlier, the Finance Ministry said.

The Daily Source for International Investors.

Tables include the nationwide price up to the closing on Wall Street

UP TO TWO MONTHS ON HOLD

[illegible]

علاوة من العمل

Aug. 20

NASDAQ National Market Prices

Floating Rate Notes

Aug. 20

[illegible][illegible][illegible][illegible]

Quotations Supplied by Funds Listed

20 August 1984

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the INT: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

[illegible]

DM — Deutsche Mark; BF — Belgium Francs; FL — Dutch Florin; LF — Luxembourg Francs; SF — Swiss Francs; a — asked; + — Offer Prices; b — bid change P/V \$10 to \$1 per unit; N.A. — Not Available; N.C. — Not Communicated; * — New; S — suspended; S/S — Stock Split; — Ex-Dividend; ** — Ex-Rts; *** — Gross Performance Index July; * — Redempt-Price-Ex-Coupon; ** — Formerly Worldwide Fund Ltd; @ — Offer Price Incl. 3% prelim. charge; +- — daily stock price on an Amsterdam Stock Exchange

Subsidiary of IDB Bankholding Corporation Limited

Test Answer

Statement of Condition

as of June 30, 1984

| | |
|--|-------------------------|
| Assets | |
| Cash and Due from Banks | \$5,248,190,000 |
| Government and Other Securities | 943,326,000 |
| Deposits with and Loans to the Government | 1,946,452,000 |
| Loans | 2,431,743,000 |
| Other Accounts | 125,929,000 |
| Bank Premises and Equipment | 19,042,000 |
| Total Assets | \$10,712,682,000 |
| Liabilities | |
| Deposits | \$8,363,993,000 |
| Government and Other Deposits for Granting Loans | 1,109,162,000 |
| Debentures Issued by Subsidiaries | 871,070,000 |
| Other Accounts | 70,740,000 |
| Total Liabilities | 10,414,965,000 |
| Capital Accounts | |
| Capital Stock, Reserves and Surplus | 120,844,000 |
| Subordinated Convertible Capital Notes | 7,818,000 |
| Minority Interest | 29,963,000 |
| Capital Notes* | 199,072,000 |
| Total Capital Accounts | 297,717,000 |
| Total Liabilities and Capital Accounts | \$10,712,682,000 |

*Including unsecured notes of \$130 million

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This financial statement has been arithmetically translated from Israel Shekels into U.S. dollars at the exchange rate prevailing on June 30, 1984: I.S. 238.40=U.S. \$1.00 for the convenience of the reader.

Foreign Exchange Conference

London,
November 26-27

The tenth International Herald Tribune conference on "The Management of Foreign Exchange Risks" will, among other things, assess the impact of U.S. election results on international currency markets.

The conference has become a key event for corporate treasurers, finance directors and international bankers.

For registration information, please contact Susan Lubomirski, Conference Manager, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France, or telephone (33.1) 747.16.86 or telex 612 832F.



READY FOR OUR FIRST
WEIGHT WATCHERS
DINNER?

YEP

G. Z.

SCRATCH THE BEAR...
LET'S NOT GET TACKY

YOU SILLY, SILLY BOY!

group
21 Chair
parties
28 Phila
events
27 While
Queer
stadi
29 Place
gover
30 Satur
featur
31 Medic
33 Havin
footw
35 Misla
36 Fit to
37 Arom
dintr
39 Blous
43 Salu
distan
45 Funes
oratio
46 Polk's
succes
47 Beast
48 An As
49 Loop
50 Nile t
53 Retire
55 Attack
tremor
56 Provide
use of
57 "—"
in your
life . . .
Lerner
59 Relief
60 Top

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

PRAD

LAWRC

EXCOBI

NYLARX

Answer:

by FRANK FORD and BOB BOY COLE

WHAT HE GOT WHEN HE READ THE STORY ABOUT THOSE BODY SNATCHERS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

[illegible][illegible][illegible][illegible][illegible][illegible][illegible]

...and the

مركز امن الاصل

SPORTS

Trevino Hangs On to Win PGA Title by 4 Strokes



Lee Trevino got a big hug from his caddy after winning the PGA Championship.

By Mark Asher
Washington Post Service
BIRMINGHAM, Alabama — After it was over, after he made his final birdie and won the 66th PGA Championship Sunday by four strokes, 44-year-old Lee Trevino puffed out his chest, kissed his caddy and then again.

vino had missed his putt for par and Wadkins converted his for a birdie.

back to the fairway. "It was a mental mistake," Wadkins said of the drive. "I tried to hit the ball too hard."

Trevino said he knew he could win after the first hole, when he drove in a fairway bunker and left his approach shot in three-putt range some 50 feet from the pin.

11th. On Sunday he was one over for that stretch, but he could have been much worse.

Swimmers and Cyclists Excel in East-Bloc Games

The Associated Press
MOSCOW — Jens-Peter Berndt of East Germany set a European record in winning the men's 400-meter individual medley swimming event at the Friendship '84 Games on Monday, clocking four minutes, 18.29 seconds.

Otto was timed in 55.75 and Meineke in 55.79.

Also failing to show for the meet were Joachim Cruz, the Brazilian who won the Olympic 800 meters, and Ludmilla Andonova, the Bulgarian world-record holder in the women's high jump.

slovak world-record holder in the women's shot put, won that event with a toss of 67 feet, 1 1/2 inches (20.46 meters), beating Claudia Losch, the West German Olympic gold medalist, whose best throw Sunday was 65-04.



Edwin Moses ...all in Hannover.

Wadkins also said that a one-hour rain delay had a big effect on his game. The threesome took refuge in a garage of a house near the 10th hole and walked off the green like a 68-year-old. Two holes later, after making a bogey trying to hit the ball too hard on the par-5 11th, Wadkins also three-putted. He had a 35-foot first putt, but left it six feet short. "Misread it, thought it was more downhill," he said later and missed the par-saver.

Wadkins had just made a 15-footer on the 42nd hole to tie Trevino. Player was coming off successive birdies of 15 and 60 feet to pull within two strokes of the lead.

But Player, the 48-year-old South African who insists age is a mental factor, three-putted on the 10th hole and walked off the green like a 68-year-old. Two holes later, after making a bogey trying to hit the ball too hard on the par-5 11th, Wadkins also three-putted. He had a 35-foot first putt, but left it six feet short. "Misread it, thought it was more downhill," he said later and missed the par-saver.

Also bettering the old mark of 1:37.68 set in Moscow last year by Soviet Viktor Kuptsov, was Ryszard Dittler of Poland. He clocked 4:36.97 only minutes before Dittler delighted a capacity crowd of 6,000 at the Olympic sports center in the Moscow suburb of Krylatskoye by going even faster.

Edwin Moses, the Olympic 400-meter hurdles champion, said Monday that he is calling off the rest of his European tour because he is not in form, United Press International reported from Hannover, West Germany.

Carl Lewis glided to an effortless victory Monday in his first 100-meter race since the Olympics. United Press International reported from Budapest.

season, marking the ninth time in his career he has hit at least 20 in a season. The 36-year-old third baseman also has driven in 75 runs, marking the 11th time in his career he has reached third base.

Jurak in the eighth inning to rally the Red Sox to a 5-4 triumph over Minnesota. Len Whitehouse (2-2) took the loss in relief. Steve Crawford raised his record to 5-0 and Bob Stanley pitched the ninth to earn his 18th save.

Mark Langston's four-hit, 11-strikeout performance over 8 1/2 innings led Seattle to a 4-1 triumph over Detroit. Phil Bradley singled three times and scored twice, and Steve Henderson drove in a pair of runs with three singles.

Yankees 9, A's 6
In New York, Ken Griffey capped a five-run eighth inning with a three-run homer, and Dave Winfield had four hits and three RBIs to lift the Yankees to a 9-6 triumph over Oakland.

Standings
NATIONAL LEAGUE
EAST
Chicago 72 51 .586
New York 68 53 .563
Philadelphia 65 56 .537
Atlanta 61 59 .508
St. Louis 57 62 .479
Pittsburgh 47 72 .395



HARD LANDING — Fernando Burgos, a Miami Dolphins defensive back, jarring at the helmet of Cle Montgomery of the Raiders during their NFL exhibition game Sunday in Los Angeles. The Dolphins triumphed 29-23.

On the morning of Aug. 8, the Astros were firmly ensconced in fourth place, 16 games behind the Padres. After winning 11 of 12, the Astros in 12 days have knocked 6 1/2 games off that lead and trail by 9 1/2.

Expos 3, Padres 0
In San Diego, Andre Dawson drove in three runs with a single and a homer, and Joe Hesketh and Jeff Reardon combined on a six-hit effort to lead Montreal to a 3-0 triumph over San Diego. Hesketh, who went the first 7 1/2 innings, got credit for his first major-league decision after being called up from Indianapolis earlier this month.

Indians 2, Brewers 1
In Cleveland, Mel Hall homered with one out in the ninth inning in the opener and scored the winning run on Pat Tabler's triple in the bottom of the ninth in the nightcap to pace the Indians to a doubleheader sweep of Milwaukee, 8-6 and 2-1. Tom Waddell got the opening victory in relief and Steve Comer (7-5) went the distance for the first time this season in the nightcap.

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Transition
BASEBALL
CINCINNATI — Placed Eric Davis, outfielder, on the 15-day disabled list.

Transition
BASEBALL
CINCINNATI — Placed Eric Davis, outfielder, on the 15-day disabled list.

Navratilova Nearing Evert's Record of 56 Consecutive Victories

By Roy S. Johnson
New York Times Service
MAHWAH, New Jersey — The last time Pam Shriver defeated Martina Navratilova, her doubles partner and close friend, the scene was the U.S. Open in Flushing Meadows, New York. It was 1982, and the drama of the effervescent Shriver ruining her opponent's chance to achieve the coveted Grand Slam was enough to touch even the most hardened observer.

slipped a topspin backhand service return inches beneath the outstretched racquet of a charging Shriver. The scores were 6-4, 4-6, 7-5.

above the playing area. "I thought I was going to cry," she said.

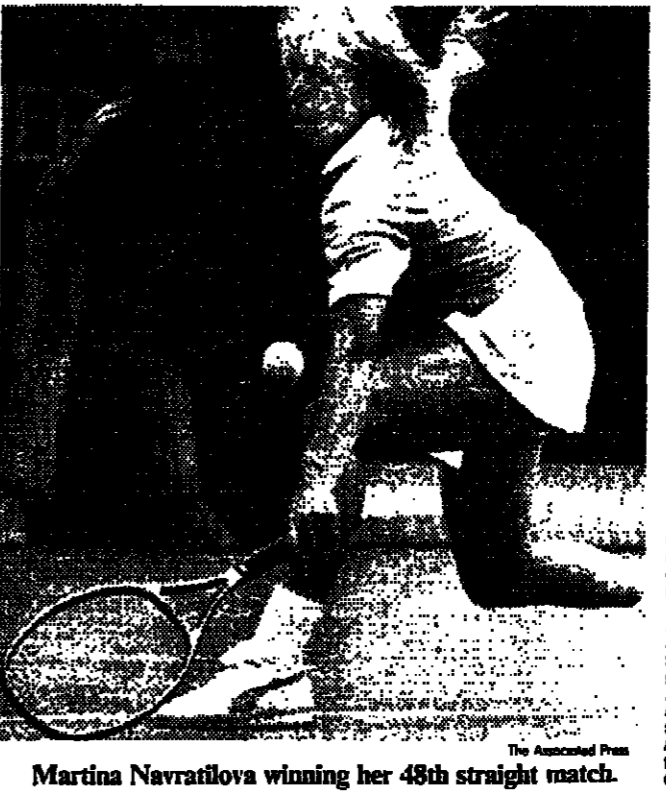
by breaking her opponent in the 10th game when Shriver double-faulted. It was the only service break of the set.

The world's top-ranked player had little trouble in taking his eighth consecutive match against Gerulaitis dating back to 1980. He swept the first set in 20 minutes, broke serve in the second game of the second set and cruised to victory in one hour overall.

McEnroe, whose only 1984 loss was to Ivan Lendl in the French Open, had reached the Canadian final only once before — in 1979, when he lost to Bjorn Borg. "It was getting to be a mental thing," he said. "I didn't know if I ever was going to win this tournament."

Since the Canadian Open alternates between Toronto and Montreal, it is uncertain whether McEnroe will defend his title next year. He vowed never to return to Montreal after conflicts with spectators during the 1983 tournament.

The Grand Prix final in Grove City, Ohio, meanwhile, was a battle between two Californians. Brad Gilbert defeated Hank Pfister, 6-3, 2-6, 6-3, for the \$20,000 first prize.



Martina Navratilova winning her 48th straight match.

